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Russian Foreign Ministry Statement on Baltic Assembly

WS2505093794 Vilnius ELTA in English 2039 GMT 24 May 94

[From "News Bulletin" No. 506]

[Text] Vilnius, May 24, ELTA—Russian Federation Embassy in Lithuania gave over to ELTA the statement of the Russian Foreign Ministry concerning the 4th session of the Baltic Assembly.

The statement said: "The results of the 4th session of the Baltic Assembly have confirmed Russia's fears that normalization and further development of relations between Russia and the three Baltic countries were not included into the plans of certain political forces in these states.

"Although there are real problems concerning the situation of the Russian-speaking population in Latvia and Estonia... parliamentaries of the three countries decided to accept the so called common statement 'On Russia's pressure on the Baltic states'. It is quite evident they were not looking for constructive decisions, necessary for the negotiations with Estonia, but were led by purely political motives.

"The resolution on the relations with Russian Federation went even further. Calling Russia to admit there are 'unresolved territorial questions' and to bear the responsibility for damage done to the Baltic states since 1940 and to compensate it, the parliamentaries made a dangerous step—they are trying to transfer events of these years from historical plane to that of financial, material, etc. claims to Russian Federation, although Russia is not and will not be responsible for actions made by Stalin's regime.

"The Baltic Assembly proved some Baltic politicians try to find new pretexts to base their anti-Russian policies instead of historical estimations of the past events", the statement said.

Karasin Views Extension of Nagorno-Karabakh Cease-Fire

LD2405183194 Moscow ITAR-TASS in English 1733 GMT 24 May 94

[By ITAR-TASS diplomatic correspondent Boris Krivoshey and Aleksandr Krylovich]

[Text] Moscow May 24—"To reinforce the ceasefire agreement in the area of conflict in Nagorno-Karabakh, it is necessary for all the conflicting parties to take clear and definite measures to demonstrate their aspiration to turn this pause into a stable truce and move ahead to solving disputable issues by peaceful, negotiatory means," said Grigory Karasin, spokesman for the Russian foreign ministry.

According to him, the ceasefire agreement reached on May 12 by military chiefs of the belligerents through Russia's mediation and encouragement on the part of Conference on Security and Cooperation in Europe "is being observed in the main". "Only separate incidents" of small-scale fighting occured since then, he added.

"Expressing our satisfaction with the fact that bloodshed has been stopped for the time being, we would like to see that the parties concerned thus showed, first and foremost, their political resolve to cease military operations and confirm their ability to fulfil their commitments," Karasin emphasized.

In view of the fact that previous ceasefire agreements were repeatedly violated by this or that party, these features are of special significance.

Karasin regretted the fact that "certain political forces and leaders try to create crisis situations for the sake of their self- serving interests at this decisive moment (in the fate) of the peoples involved in the conflict."

"It is time we determined, who comes out for peaceful settlement of the conflict and who - for resumption of hostilities, for return into the bloody impasse," Karasin pointed out.

ITAR-TASS Carries Press Review for 25 May

LD2505061294 Moscow ITAR-TASS in English 0601 GMT 25 May 94

["Press Review"—ITAR-TASS headline]

[Text] Moscow, May 25 (ITAR-TASS)—"After issuing three documents—a presidential message, a mini-message on non-payments of April 12 as well as a document on civic accord," the NEZAVISIMAYA GAZETA newspaper writes, "the president again took the initiative of running the economy and reform into his own hands.

"This action is connected with the president's wish to establish full control over actions by the premier and the entire economic bloc of the government and to deprive the cabinet of any independence, including independence of a political manoeuvre."

Amplifying this theme, the ROSSIISKIE VESTI newspaper notes that "in the political respect, the president's 'economic' decrees gave a pretext for suppositions that he is forced to 'prod' the passive government, thrusting on it his 'strong-willed' decisions which were made all of a sudden".

"According to information received at the presidential press service," the newspaper writes in another article, "Boris Yeltsin will meet the leadership of the Russian Government this week in order to analyse the progress of economic reform and to map out measures to remove 'bottlenecks' in its way."

"Despite expectations, the Moscow talks between the Russian and Ukrainian premiers," writes the NOVAYA EZHEDNEVNAYA GAZETA newspaper, "centred not on the conflict between Simferopol and Kiev but on the problem of the Black Sea Fleet.

"The sides stressed proximity and importance of these themes in bilateral relations. Although the discussion has not brought specific results, the cabinet heads appraised the meeting rather optimistically."

The same newspaper writes in another article that "Russia should not fully rely on the Baykonur Cosmodrome as the main launching pad for Russian space explorations in future.

"This is true even of the next 20 years about which the two presidents (eds: Boris Yeltsin and Nursultan Nazarbayev) talked in Moscow. Governments were changing in the recent past more often than space rockets."

NEZAVISIMAYA GAZETA carries an interview with Vladimir Gusev, head of the Russian federal tax service, who said that "the state collected taxes worth over 38,000 billion rubles and 340 million U.S. dollars for 1993".

The same newspaper features an interview with Vadim Gustov, chairman of the Russian parliament upper house committee on the Commonwealth of Independent States, saying that "economy dictates its rules to politicians.

"These are stiff rules. Politicians should start thinking how to pool efforts, natural resources, workforce and the intellectual potential in order to pull out of the crisis.

"It is clear for all that there is no way back to the former centralised rigid system of management. It means that we should look for another way, to find versions acceptable for all, to come to agreement.

"It can be a Eurasian Union proposed by Nazarbayev or something else. However, it is necessary to start preparing now a legislative basis for it as well as a concept for cooperation and manageability of economies."

NEZAVISIMAYA GAZETA runs an interview with speaker of the former Russian parliament Ruslan Khasbulatov, saying: "Serious praiseworthy opposition leaders are doomed to take a peaceful road and to act in compliance with law. But it is highly probable that authorities will reply with artillery volleys to their constructive initiatives".

The TRUD newspaper informs its readers that "head of the Russian president's office Sergey Filatov submitted documents to the government about gold reserves of the Russian empire stored abroad.

"The documents are supplied with Filatov's recommendation to set up an interdepartmental commission to return gold home."

According to the KOMSOMOLSKAYA PRAVDA newspaper, "the Russian president will hear counterintelligence officers on Wednesday to hammer out a single concept for their operations.

"It happened that starting from the year 1991, victorious for democracy, Russia had no common doctrine for the country's security, including the sphere of shielding against foreign secret services.

"Confidential sources at the federal conterintelligence service inform that precisely this reason prompted the general summit of Russian counterintelligence leaders."

The KRASNAYA ZVEZDA newspaper carries an interview with Anatoliy Golovnev, deputy commander-in-chief of Russian land forces, who stresses: "The quality of training troops suffers due to the untimely development and delivery by the Ministry of the Munitions Industry of simulators to new models of weapons and combat materiel.

"The cost of weapons grows, since we are forced to train on combat materiel. How soon will the situation change for the better? This depends on how soon we agree that the state's might is also a level of its army's training."

The PRAVDA newspaper writes that "an official report that five prominent Latvian politicians had been KGB agents, became a real sensation in Latvia. The republican prosecutor-general made recently this report to local legislators.

"Incumbent foreign minister G. Andreyevs is among the above five. True, the final say belongs to the court of law. However, all the five are now vehemently deny their former affiliation with the KGB."

Yeltsin Reaffirms Need for Peaceful Solution in Crimea

LD2405172294 Moscow INTERFAX in English 1556 GMT 24 May 94

[From the "Diplomatic Panorama" feature by correspondents Igor Porshnev, Vitaliy Trubetskoy and others]

[Text] President Boris Yeltsin has reaffirmed Moscow's position saying that Kiev and Simferopol must refrain from the use of force to settle their differences—in line with CSCE principles. His statement came during talks in Moscow on Tuesday [24 May] with visiting British Foreign Secretary Douglas Hurd who raised the issue.

Other issues discussed include European security and Russia's cooperation with the West including the NATO-sponsored Partnership for Peace program. Yeltsin said that both Russia and NATO wanted to cooperate with each other, but that this cooperation must account for Russia's uniqueness as a great power.

He is hopeful for a breakthrough in Moscow's talks with the European Union and Russia's entry into the world trade organization, GATT.

Bilateral relations were also discussed by the two men.

The Secretary handed Yeltsin a message from Queen Elizabeth II saying she accepted an earlier invitation to visit Russia in autumn, it is to be the first such visit to Russia by a British monarch.

On Tuesday morning, Viktor Chernomyrdin and British Foreign Secretary Douglas Hurd discussed relations between Russia and Ukraine in light of the situation in Crimea.

Russia's Deputy Foreign Minister Vitaliy Churkin, who took part in the talks, told reporters that Chernomyrdin had expressed the conviction that there were no insoluble problems in Russian-Ukrainian relations. He also said that the two states could reach agreement on the basis of the accord on the division of the Black Sea Fleet, signed by Boris Yeltsin and Leonid Kravchuk last March.

Chernomyrdin also confirmed that Crimea was part of Ukraine and that Russia respected Ukraine's territorial integrity.

To quote Churkin, Chernomyrdin assured Hurd that no force would be used in tackling political problems.

"Confrontation with Ukraine is unthinkable," said Chernomyrdin. "All problems that have arisen or will arise will be tackled in the spirit of cooperation," he added.

Russia insists only on political settlement between Kiev and Simferopol, Chief of the Russian Foreign Ministry Information and Press Department Grigoriy Karasin stated at a briefing in Moscow Tuesday.

He confirmed that the position of Russia towards the sovereign Republic of Crimea as an integral part of Ukraine remained the same and was well known to the Ukrainian leadership. He stressed that it was necessary to observe territorial integrity and inviolability of the existing borders. Karasin said it was also very important to respect the sovereign will of nations. He emphasized that the parties must refrain from the use of force.

He said Russia was concerned over tension in bilateral relations which might emerge due to Crimea. He emphasized that the discord between Kiev and Simferopol was a domestic Ukrainian affair. "However, certain Ukrainian politicians are trying to lay all responsibility at the door of 'some external forces' meaning Russia," Karasin pointed out.

The situation in Crimea once again proves that the key-issues of Russian-Ukrainian relations must be solved urgently, he said.

Karasin added that the current Russian-Ukrainian talks in Moscow were focusing on these issues rather than on Crimea.

Russia Insists on Political Settlement of Crimea Dispute

LD2405173494 Moscow INTERFAX in English 1617 GMT 24 May 94

[Text] Russia insists only on political settlement between Kiev and Simferopol, Chief of the Russian Foreign Ministry Information and Press Department Grigoriy Karasin stated at a briefing in Moscow Tuesday.

He confirmed that the position of Russia towards the sovereign Republic of Crimea as an integral part of Ukraine remained the same and was well known to the Ukrainian leadership. He stressed that it was necessary to observe territorial integrity and inviolability of the existing borders. Karasin said it was also very important to respect the sovereign will of nations. He emphasized that the parties must refrain from the use of force.

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The situation in Crimea once again proves that the key issues of Russian-Ukrainian relations must be solved urgently, he said.

Karasin added that the current Russian-Ukrainian talks in Moscow were focusing on these issues rather than on Crimea.

Chernomyrdin, Kravchuk Discuss Crimean Situation

LD2405203394 Moscow INTERFAX in English 2010 GMT 24 May 94

[Text] Russian Premier Viktor Chernomyrdin had a telephone conversation with Ukrainian President Leonid Kravchuk on 24 May in the afternoon. They discussed the division of the Black Sea Fleet and the basing of Russian ships in Crimea. Officially, no details have been reported.

INTERFAX learned from sources in the Russian delegation that the fist draft of the final document on the settlement of the Black Sea Fleet issues had not been approved by the two parties.

Moscow has insisted that Sevastopol be the main base of the Russian Navy and that the Ukrainian fleet be based beyond the city limits. It can be stationed in Balaklava (Crimea) or in Odessa.

Russia wanted the document to contain the following formula, "Sevastopol is the main Russian navy base in Crimea." Kiev proposed another formula, "The main Russian navy base in Crimea will be stationed in Sevastopol."

A Russian delegation expert clarified that the Ukrainian formula meant that all military infrastructure in Sevastopol would belong to Ukraine. He added that the issue on leasing would be mentioned in a separate agreement.

Russia wanted to avoid the term "leasing" and to mention "utilization in accordance with the intergovernmental agreement" instead.

On 24 May at 2100 the talks are still continuing. The Ukrainian party put forward new proposals on the division of the Black Sea Fleet within the scope of the March agreements between the Russian and Ukrainian presidents. In accordance with these agreement Moscow would receive 699 ships and supplementary boats of the Black Sea Fleet and Kiev would receive 164 units.

Kiev wanted its quota to be increased.

Talks With Ukraine, Crimea on Situation in Crimea Resume

LD2405120994 Moscow ITAR-TASS in English 1154 GMT 24 May 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

[Text] Moscow May 24 TASS—After a recess on the second day of Russian-Ukrainian talks, during which Russian Premier Viktor Chernomyrdin went to meet President Boris Yeltsin for their regular Tuesday get-together, negotiations resumed with the participation of the Crimean vice-premier, Yevgeniy Saburov.

Today's agenda consists of items relating to the Black Sea Fleet and the Crimea. The Russian and Ukrainian delegations headed by Viktor Chernomyrdin and Yukhym Zvyahilskyy are now meeting in a narrow format.

National Salvation Front Calls for Protection of Crimea

LD2405113894 Moscow INTERFAX in English 1051 GMT 24 May 94

[Text] The Political Council of the National Salvation Front (NSF) called on its supporters, the State Duma and all public leaders and political parties to avoid moves that could lead to the betrayal of Crimea and to work to protect the Crimean republic and Crimean Constitution.

The NSF Political Council said a dramatic conflict was about to erupt in Crimea and the Ukrainian leaders would be to blame for it. The Crimeans' quest for the protection of the age-long ties with Russia have been threatened by Kiev, the Council said.

The Russian president and government were equally responsible for what was happening on the peninsula. Now that Ukraine was running up an enormous debt to Russia, the NSF Council said, the Russian leaders could resort to absolutely reliable and peaceful means of averting violence in Crimea.

The NSF Council declared the Crimean developments to be a test of the patriotic declarations made by many local political parties and movements.

Black Sea Fleet Division Talks Blocked

LD2405134194 Moscow ITAR-TASS in English 1330 GMT 24 May 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

[Text] Moscow May 24 TASS—The division of Black Sea Fleet infrastructure, including coastal fortifications, artillery, fleet aviation, storages and apartments of Sevastopol servicemen, was a stumbling stone at negotiations of the Russian and Ukrainian premiers on the Black Sea Fleet and the Crimea.

The agreement on gradual division of the Black Sea Fleet signed by the Russian and Ukrainian presidents on April 15, 1994, was too general. It voiced the Ukrainian holding of ten-fifteen per cent of warships and auxiliary vessels, and separate basing of the Russian and Ukrainian fleets. The document also instructed ministries and departments to coordinate conditions and procedure of the division.

A reason for failure of the Black Sea Fleet talks between the Russian and Ukrainian defence ministers in April was their different understanding of the infrastructure notion, said Vice-Admiral of the Russian Armed Forces' General Staff Vladimir Kryazhev.

Document on Black Sea Fleet Division Being Prepared

LD2405142594 Moscow ITAR-TASS in English 1413 GMT 24 May 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

[Text] Moscow May 24 TASS—A document relating to the division of the Black Sea Fleet between Russia and Ukraine is being prepared for signing after the current talks between the heads of government of two republics.

The document will be signed by Russian Prime Minister Viktor Chernomyrdin and Ukraine's Acting Premier Yukhym Zvyahilskyy after all points are agreed between the two delegations.

The joint document will contain specific terms and conditions of the division of the Black Sea Fleet's infrastructure and of the bases of the two national fleets.

A press conference will be held after the signing.

Russia Wants Ukraine Navy Moved From Sevastopol

LD2405164194 Moscow Mayak Radio Network in Russian 1551 GMT 24 May 94

[Text] Russia is proposing to make Sevastopol the main base for the Russian part of the Black Sea Fleet and to relocate the Ukrainian navy outside of the town. Options include having the Ukraine navy stationed in Balaklava, in Crimea, or in Odessa. Our correspondent was told this by unofficial sources. Those unofficial sources think that a final document may be signed this evening.

Moscow Insists on Sevastopol as Black Sea Fleet Base

LD2405174694 Moscow INTERFAX in English 1617 GMT 24 May 94

[Text] Each of the parties proposed its own version of the final document at the talks between the Russian and Ukrainian governmental delegations headed by Premiers Viktor Chernomyrdin and Yukhym Zvyahilskyy in Moscow. Earlier on the same day, the two premiers had held a private meeting.

Interfax learned that Russian representatives insisted that an inter-governmental agreement on the basing of the Russian part of the Black Sea Fleet in Crimea [sentence as received]. The Ukrainian delegation wanted to sign a memorandum with the same title.

Moscow has insisted that Sevastopol be the main base of the Russian Navy and that the Ukrainian fleet be based beyond the city limits. It can be stationed in Balaklava (Crimea) or in Odessa. Russia recognizes that Sevastopol is a Ukrainian city under jurisdiction of Ukraine.

Sources in the Ukrainian delegation told Interfax that the joint expert group was trying to combine the versions and to create a single final document which would provide for the basing of the Russian Black Sea Fleet in Sevastopol and for the basing of the Ukrainian Navy in Balaklava and partially in Sevastopol.

The final document is expected to be signed on May 24 evening.

Earlier today, sources in the Russian delegation had told Interfax that Ukraine stood for division of the fleet ships in accordance with the March agreements between the Russian and Ukrainian presidents. However, Ukraine insisted that it keep coastal facilities and infrastructure, including dwelling places for marine servicemen which did not conform with the position of the Russian delegation.

'Heated Debates' With Ukraine

LD2405193094 Moscow ITAR-TASS in English 1850 GMT 24 May 94

[Report by ITAR-TASS correspondent Gennadiy Yezhov]

[Text] Moscow 24 May TASS—The separate fleet basing issue provoked heated debates at today's Russian-Ukrainian negotiations on the Black Sea Fleet.

The naval base in the Balaklava Bay is included in the Sevastopol megapolis. Russia opposed the use of the "Sevastopol city" notion as regards the Ukrainian naval base in Balaklava in the joint document. On mutual agreement Sevastopol will remain the major base of the Russian fleet.

The document provides for another base of the Ukrainian Navy in Donuzlava, the Crimea, to house the Ukrainian part of the Black Sea Fleet.

In the opinion of the Russian side, the use of the "Sevastopol" name as regards the Balaklava base runs counter to the principle of separate fleet basing envisaged by the agreement on gradual division of the Black Sea Fleet. The latter was signed by the Russian and Ukrainian presidents on April 15, 1994. Thus, the name of the final document has not been coordinated.

The quantity division of the Black Sea Fleet ships is almost not debated. Ukraine will have 164 ships (18 per cent), and the Russian Federation—669. At the same time, lists of the ships are still to be made.

The Russian side has suggested to begin the first stage of the fleet division after the document signing on condition that Sevastopol is considered the chief base of the Russian Black Sea Fleet.

Chernomyrdin, Zvyahilskyy Unable To Sign Document on Fleet

LD2405193794 Moscow Radiostantsiya Ekho Moskvy in Russian 1800 GMT 24 May 94

[Text] Talks were held today in Moscow on the Black Sea Fleet. It was expected that a final document would be signed by the heads of the governments of Russia on the dividing up of the fleet, however the issue of dividing up the infrastructure remains unresolved. As reported by ITAR-TASS, it is a question of coastal fortifications, artillery and depot premises, and even of servicemen's flats in Sevastopol. Thus, Chernomyrdin and Zvyahilskyy could not sign any kind of final document.

The Black Sea Fleet is independent and is capable of rebuffing any provocation relating to it. Any unilateral actions with regard to the fleet are unlawful. This was stated today by Russia's Defense Minister Pavel Grachev. He stressed that Russia is not indifferent to the situation in Crimea and, if that area becomes entangled in a military conflict, it could lead to civil war.

Black Sea Fleet Talks Adjourned Until 25 May

LD2405194594 Moscow ITAR-TASS World Service in Russian 1845 GMT 24 May 94

[Report by ITAR-TASS correspondent Gennadiy Yezhov]

[Text] Moscow, 24 May—Talks between the heads of government of Russia and Ukraine on settling the problems of the Black Sea Fleet have been adjourned until tomorrow. A decision to do so was taken late this evening by members of the delegations of the two countries.

The sides were unable to reach agreement on a number of points while working out an intergovernmental document dividing the Black Sea Fleet.

The talks will be continued tomorrow with the same people taking part.

Valeriy Shmarov, deputy prime minister of Ukraine, told journalists that the positions of the sides undoubtedly came closer together during today's talks, but there are still a great many unresolved problems. At the same time he confirmed the desire of the Ukrainian side to reach an agreement.

Grachev: Black Sea Fleet Can Defend Itself Against Attack

LD2405202294 Moscow INTERFAX in English 2009 GMT 24 May 94

[Text] Russian Defense Minister Pavel Grachev believes that the Black Sea Fleet is capable of resisting any provocations against it. He stressed in an exclusive interview with Interfax in Brussels today that the Black Sea Fleet was subordinate to the Russian and Ukrainian presidents. This to say that any unilateral actions towards the fleet are illegal, he pointed out.

Grachev said that Black Sea Fleet Commander, Admiral Eduard Baltin was right when taking preventive measures and strengthening defense of military facilities within the context of the present situation in Crimea.

Commenting on movements by Ukrainian military formations in Crimea, Grachev called this an attempt to exercise military and psychological pressure on the Crimean leadership. This represents no military threat. Ukrainian formations are acting separately, he emphasized.

Grachev suggested that this was done in accordance with orders of the Kiev leaders. However, he was sure that Ukraine would not declare war on Crimea since it was a civilized state.

On 23 May Russian President Boris Yeltsin and Ukrainian President Leonid Kravchuk had discussed the situation in Crimea on the phone. They had unanimously agreed that the situation in Crimea was Ukraine's internal affair.

However, Grachev stressed that Russia could not overlook the situation in Crimea. "If an armed conflict starts in this region, it may lead to a civil war between eastern and western Ukraine," Grachev suggested.

He emphasized that the presidents had concluded that the situation must be settled by peace political means and negotiations.

'Decline' of Black Sea Fleet Examined

LD2305174994

[Editorial Report] Moscow Russian Television Network in Russian at 0725 GMT on 22 May 1994 broadcasts the 30-minute "De Facto" program. Correspondent Oleg Vakulovskiy explains that the May edition of "De Facto" was to have included an item about the Black Sea Fleet, and a camera team was sent to Sevastopol. In the light of recent events it was decided to devote the entire program to the subject of the Black Sea Fleet.

In his introductory remarks, Vakulovskiy says that the Black Sea Fleet has always been Russian or Soviet. Its warships are currently flying the red flag, even though the Soviet Union no longer exists.

This expedient has been adopted because the fleet is now under the command of two presidents pending its division. Vakulovskiy points out that such a division, however desirable, will be very difficult. The Black Sea Fleet and the city of Sevastopol have been in a unique position for a long time, he says. No other fleet has ever been commanded by two presidents. No other port has ever hosted two navies. Both sailors and warships are suffering, Vakulovskiy says. He recalls that the Black Sea Fleet had scuttled itself twice before, in September 1854 and in June 1918, and says it seems likely that history will repeat itself in the 1990s. Vakulovskiy interviews Captain Valeriy Zubkov, the commander of the antisubmarine warfare, ASW, escort ship Smetlivyy:

He asks: "What is the job of your ship?"

Zubkov says: "The main function of this ship is to seek out and destroy submarines and to protect naval formations."

Vakulovskiy then asks: "Is your ship the only one needing repair at the moment?"

Zubkov replies: "No, the ship is not the only one needing repair, but she is the only ship on which repairs are currently being carried out. In fact, the repairs are in full swing and nearing completion. Dockside testing is under way at the moment. The ship is preparing for sea trials. I hope that this will be completed in the near future.

Vakulovskiy asks: "Why has she been under repair for eight years? Is this normal?"

Zubkov says: "No, it is not normal for a warship to spend so long at the yard. Because of the collapse of the Union, probably, the target time for completion has been postponed four times. The fleet is aging—dying, basically. If things carry on like this, there will probably be nothing to share out in a year's time. Almost 60-70 percent of the ships we now have, have had the interval between overhauls extended. These problems are not being tackled. Even keeping the ships in dock is a problem. A number of ships that are supposed to be under repair are stuck here.

But it is bad for the crews too. Even those ships that are capable of putting to sea, do so less often. The crews are, naturally, becoming rusty. Training in port cannot take the place of practical work at sea."

After interviewing Lena Kolomiytseva, a local radio journalist who witnessed last month's seizure of premises belonging to the 318th reserve division of the Black Sea Fleet, Vakulovskiy interviews Zubkov about strategic changes taking place in the Black Sea. Zubkov says:

"Ships are putting to sea much less often. Above all, warships are virtually unable to meet the objectives of combat service. No vessels are on duty in the Mediterranean at the moment. Naturally this affects the readiness of crews and the skills of warship commanders. Here too trips to sea have been substantially curtailed. This also affects crew training levels."

Vakulovskiy adds that ships were putting to sea only rarely. If they did leave port, it was not for months as before but for a few days, in order to save fuel. Capt. Zubkov goes on:

"Any vacuum will be quickly filled. Warships of allied navies, of the United States, used not to enter the Black Sea. But last year a NATO naval squadron of nine warships sailed into the Black Sea. Inexorably, NATO warships are taking over the Black Sea theater. Turkey is also filling this vacuum by developing and improving its Navy, by deploying new warships, new types of weaponry."

Vakulovskiy recalls that a few years ago a warship of the Black Sea Fleet, "Bezzavetnyy," rammed an American missile cruiser, the "Yorktown," which had entered Soviet territorial waters and refused to leave, even after a warning. In those days the very fact of a violation of territorial waters was an extraordinary occurrence. There were few U.S. vessels in the Black Sea then. Now there are far more. Igor Korsakov, an analyst employed by the Black Sea Fleet, adds:

"Because of the geopolitical changes that have taken place in the world in recent years, following the collapse of the CIS [as heard], Turkey's policy in the world as a whole and its regional policy in particular has, naturally, changed. Turkey used to be a counterweight, in many respects, to Russia or the Soviet Union. Now Turkish policy is to expand its influence on many countries of the Black Sea, including those on the southern border of the CIS.

Vakulovskiy asks: "Which countries?"

Korsakov says: "Romania, Bulgaria, Georgia, and Turkic-speaking countries of the CIS."

Vakulovskiy says: "Azerbaijan?"

Korsakov replies: "Yes, Azerbaijan. The Turkish Navy now consists of about 200 warships, including 17 diesel submarines, 12 destroyers including two guided missile destroyers, four frigates including two guided missile frigates, 41 assault craft, 33 minesweepers, and a large number of large and small patrol boats, including those designed for minesweeping. NATO experts say that in the very near future the Turkish Navy will be a match for Russia's Black Sea Fleet on the Black Sea."

Vakulovskiy asks: "What is your expert assessment—that was a NATO assessment."

Korsakov says: "I cannot divulge these assessments."

Vakulovskiy then asks: "But in your own personal view, are the NATO experts close to the truth?"

Korsakov replies: "I think they are very close to the truth. In the next few years Turkey will become an even stronger naval power."

Offering his views on the decline of the fleet, Admiral Aleksey Kalinin, former commander of the Black Sea Fleet, says:

"When I handed over the fleet in 1985, the ratio of strength between us and our closest neighbor, Turkey, was about 2.5 to 1 or even 3 to 1. In 1991, when the Soviet Union collapsed, it was 2 to 1. Now, after two years of confusion and chaos, this screw-up, it has fallen to 1:1. This ratio will continue to deteriorate, I am afraid, if things go on this way."

Kalinin concludes his contribution by saying: "For more than two years I have been saying—both in the press and at various meetings, reporting to both presidents and to delegation leaders—that there can be only one solution to this problem. This solution is very simple. Since they have declared themselves to be independent states, Russia and Ukraine should conclude a treaty on an all-embracing alliance. This treaty should stipulate that there will be a single maritime defense area in the south for which the Black Sea Fleet is responsible. It must be preserved."

The program is illustrated by extensive footage of warships, in varying states of repair or disrepair, in port at Sevastopol or leaving port. Some of the vessels shown are rusting hulks or wrecks.

Grachev Interviewed

LD2405213094 Moscow Russian Television Network in Russian 1740 GMT 24 May 94

[Interview with Russian Defense Minister Pavel Grachev by Sergey Dorenko en route to Brussels on 24 May; from the "Details" program—recorded]

[Text] [Dorenko] The Details camera is on board a specially-equipped plane bound for Brussels. We have interrupted Russian Defense Minister Pavel Grachev at his papers three hours before his speech at NATO to ask him to comment on his tactics with regard to a rapprochement with NATO, exclusively for the viewers of the Details.

[Grachev] What Russia could gain by this is the following: First, confirming to the international community our contemporary views on security and our adherence to the policy of strengthening our strategic union with the West; second, that this would make it potentially possible for us to obtain more information about NATO's military-political intentions, plans, and actions, as well as other states involved in the Partnership for Peace, and to influence them in our interests to a certain extent.

[Dorenko] But will they not turn us into their southern flank? These kinds of worries have been voiced in the press: that they will make us fight against the Islamic Fundamentalism, and if relations with China become aggravated....

[Grachev, interrupting] I understand your question. You are trying to find out what negative implications our cooperation may have. No, though theoretically perhaps we will be attached to NATO in some way. Our state is a superpower with enormous economic and military potential, and of course we will not tow NATO's line, act as they tell us to, and take an extreme stance on anything. No, in fact, the program we will propose for signing will spell all of this out. If it becomes necessary for Russia and some NATO countries to take some collective actions, that decision should be made collectively, on the basis of suggestions and deliberations. Only should an unequivocal decision be made, which should be beneficial to Russia and the NATO countries. That would be a fair decision.

[Dorenko] A question from daily life: In old times, the USSR defense minister was chief of staff of the Warsaw Treaty and not the United States the NATO leader. Now they will turn out to be your commanders.

[Grachev] Well, that is a question of secondary importance. Actually, no, this will not be so.

[Dorenko] What if Ukraine completes its transition to the partnership faster than Russia, and, if the conflict with Ukraine becomes more acute, NATO turns out to be on the Ukrainian side?

[Grachev] If Ukraine joins this partnership before us and if the NATO countries attempt, together with Ukraine, to put pressure on us—well, this cannot be serious, and these states will not take such a step for political reasons. This is the first point; and second, why should they put pressure us? Are we threatening Ukraine, or do we have some extremely tense relations with Ukraine?

[Dorenko] This happens occasionally.

[Grachev] Well, you know, that is what strategy is for. We have to resolve all misunderstandings and conflicts by political means.

Grachev: No Current Military Threat to Russia

LD2405174294 Moscow INTERFAX in English 1617 GMT 24 May 94

[Text] Russian Defense Minister Pavel Grachev believes that currently there exists no direct military threat to Russia. Interfax learned that this statement had been included in his draft statement at the NATO Council of Defense Ministers in Brussels on Tuesday. Grachev will speak on the Russian military doctrine before the participants in the council late on May 24.

In accordance with the text of the statement, Russia regards no state as its enemy. "Russia has no enemies but it has its vital interests. We are ready to defend them and we are capable of doing this," the statement underlined.

Grachev considered the development of bilateral and multilateral agreements between the states and the participation of Russia in joint security structures as priorities in the sphere of security for Russia.

Grachev called stability in the regions close to its borders as a prior condition for Russia's military security. "In all that concerns the maintenance of international peace and security Russia sees all states, the policy of which does no damage to its interests, as its partners," the statement emphasized.

Grachev stressed that development of cooperation with the CIS states with which it had signed the treaty on joint security also was among Russia's priorities. He added that at the regional level Russia was prepared to enhance cooperation with all CSCE states.

Russia does not intend to limit itself to Europe, Grachev pointed out. "In order to ensure security for our vitally important interests we are obliged to take measures for the establishment of a joint security system, including the Asian-Pacific region."

Grachev underlined that the Russian armed forces had also faced several untraditional tasks. They will:

—carry out peacekeeping operations in accordance with the decisions by the UN Security Council and other joint security;

—cooperate with the Russian Interior Ministry forces and law enforcement bodies in order to localize conflict zones and to prevent armed clashes.

Commenting on the decision of the Russian leadership which had decided not to confirm the obligations assumed by the former USSR which said it would not be the first to use nuclear weapons, Grachev stated that this did not mean that Russia would subscribe to the concept of preventing nuclear strike. Russia wants to eliminate the danger of a nuclear war by halting aggression against Russia and its allies, Grachev stressed.

CIS and Eastern Europe defense ministers will also participate in the meeting in Brussels.

Details Features of Nuclear Policy for NATO Leaders

LD2405185494 Moscow ITAR-TASS in English 1817 GMT 24 May 94

[Report by ITAR-TASS special correspondent]

[Text] Brussels 24 May—"The aim of the Russian nuclear policy is to eliminate the threat of nuclear war by preventing an aggression against the Russian Federation and its allies," Russian Defence Minister Pavel Grachev told NATO leaders and defence ministers today in a report on major provisions of the Russian military doctrine.

In his words, Russia considers nuclear arms as a means of deterrence and not combat operations. The Russian Federation was not the first to confirm the Soviet obligation of non-use of nuclear arms, but this does not mean a transition to the concept of preventive uses of nuclear arms. It shows the Russian determination to prevent a large-scale war against the Russian Federation and its allies.

The minister refuted claims that russia can be the first to use nuclear arms even in a limited conflict. The minister said that the Russian Federation is striving to cut the nuclear force to minimum that would guarantee strategic stability, and fully eliminate these arms in future.

"The political fundamentals of the Russian military doctrine reflect two interrelated tasks—prevention of a war and readiness to repulse an aggressor," said the minister.

In his words, Russia rejects any war, the use of military force or a threat of its use as a means to achieve political, economic or other goals. It stands for the obligation of all states not to be the first to use military force. All disputable issues must be settled only with political and diplomatic means, stressed the Russian minister.

"Russia proceeds from the fact that a possibility of local and regional wars, as well as armed conflicts in specific states because of nationalistic, ethnic, territorial, religious and other contradictions remains," said the Russian minister.

In his opinion, the increase of aggressive nationalism in various areas of the world is the most dangerous challenge to regional and international stability.

The Russian Federation plans active interaction with the commonwealth states in collective defence and security, coordination of military policy and defence building. This area of cooperation is a priority of Russia, he said.

The Russian military doctrine confirms a possibility of Russian participation in peace-making operations held on decision of the United Nations Security Council. Russian security may also require the location of troops and technical means outside the Russian Federation.

Russia considers all states, whose policy does not affect its interests and does not run counter to the U.N. charter, its partners in provision of peace and consolidation of international security.

Grachev: Russia To Sign NATO Partnership Accord

LD2405154494 Moscow ITAR-TASS World Service in Russian 1442 GMT 24 May 94

[Report by ITAR-TASS special correspondent]

[Text] Brussels, 24h May—Russia's Defense Minister Pavel Grachev arrived in Brussels today where he will make a report on the new Russian defense doctrine to the NATO leadership and the defense ministers of the alliance countries this evening.

He was met by Belgian Defense Minister Leo Delcroix and by other officials at Melsbroek military airport.

Replying to journalists' questions, P. Grachev said that Russia will sign a framework document of the NATO "Partnership for Peace" program at the same time as an agreement on bilateral cooperation between Russia and NATO when this agreement is finally ready.

On Proposals for Partnership for Peace

LD2405181394 Moscow Russian Television Network in Russian 1600 GMT 24 May 94

[From the "Vesti" newscast]

[Excerpts] Yet another extremely important subject today is the NATO defense ministers conference in Brussels. [passage omitted]

[Correspondent K. Mazheyka] At this moment, as you are watching this report, Defense Minister Pavel Grachev, who arrived in Brussels an hour ago, is setting out our conception of partnership.

[Begin Grachev recording] I have simply brought Russia's vision of the Partnership for Peace. The first section is political partnership. The second section is military partnership, and the third section is a miscellaneous one. These are the specifically worked out parameters of our partnership. We shall propose that our representatives and the special representatives of the NATO countries draw up a broad-scale agreement. When it is ready, we will sign two documents: a general conception of the partnership and the agreement that will be drawn up if the NATO members accept it. [end recording]

Discusses Cooperation With NATO

LD2505085494 Moscow ITAR-TASS World Service in Russian 0803 GMT 25 May 94

[Report by ITAR-TASS correspondents Aleksandr Mineyev and Vladimir Smelov]

[Text] Brussels, 25 May—The reaction of the U.S. defense secretary to the Russian concept of wider cooperation with NATO was "noncommittal," Russian Defense Minister Pavel Grachev told ITAR-TASS after meeting his U.S. counterpart William Perry at the NATO Headquarters.

"It seems, the Russian minister added, that this is linked to the fact that the American side is not yet familiar with the main parameters of our proposals on this. They will be handed over to NATO's acting secretary general today."

In P. Grachev's words, the meeting which lasted for over an hour discussed primarily issues of bilateral interaction. "Our cooperation is growing stronger by the day and we are finding more and more mutual understanding," he stressed.

Grachev Visit to NATO HQ, Belgium Previewed

PM2505095594 Moscow KRASNAYA ZVEZDA in Russian 25 May 94 p 1

[ITAR-TASS report: "Russian Defense Minister Visits NATO Headquarters"]

[Text] Brussels, 24 May—Today's visit to Brussels by Russian Defense Minister Pavel Grachev goes beyond the framework of "protocol" visits at this level. The meetings with the Russian minister are expected to produce above all a clarification of the prospects for the development of relations between Russia and NATO, and, consequently, a plan for a future European security system.

Under a program announced around a month ago, P. Grachev will familiarize the heads of the alliance's military departments with the main provisions of Russia's defense doctrine, including the issues—of concern to the West—of the use of nuclear weapons, and the place occupied by the former Soviet republics in Moscow's strategy. But the delay in Russia's planned April accession to the "Partnership for Peace" program proposed by NATO leaders, and contradictory statements in Moscow and Brussels have put this aspect of the visit at the center of attention.

P. Grachev will set out Russia's corresponding position at a meeting with the NATO leadership and at a North Atlantic Cooperation Council (NACC) defense ministers' session 25 May.

Everyone in NATO agrees that a nuclear power with a major economic and military potential should play a special part in an international security system. But they do not want to formally enshrine this in the program's framework document, which has already been signed by 18 other countries apart from the alliance members, including eight former USSR republics. The framework document, NATO leaders say, is a kind of "letter of intent" that does not carry any obligations. It is planned to cooperate under an individual program—that is, on a bilateral basis. Here too Russia's special status will be established by itself. But if Russia does not join the program, it will be hard for it to influence the formation and workings of this mechanism, and then a new barrier could arise in Europe—on the Russian border.

During his official visit to Belgium 26-27 May the Russian minister will hold talks with his Belgian colleague Leo Delcroix, who, we have learned, incidentally, was the initiator of the meeting between the 15 NATO defense ministers and P. Grachev. The Russian guest will visit a small-arms plant, an air base, and the Ostend Naval Base, and will fly by helicopter around Flanders and its ports of Antwerp, Ghent, and Zeebrugge.

Plan Defining PFP Participation Submitted

LD2505102594 Moscow ITAR-TASS World Service in Russian 0928 GMT 25 May 94

[By ITAR-TASS special correspondent]

[Text] Brussels, 25 May—The Russian side today submitted to NATO a document containing the main parameters of Russian participation in the implementation of the Partnership for Peace program. At the same time it was proposed to start drawing up a broad program of cooperation between Russia and NATO that would be based on these parameters and to sign the outline document as soon as this program is ready.

In the political sphere, Russia proposes the creation of an effective mechanism of mutual consultations on the entire range of problems of European and world security, which would operate both on a regular basis and in emergencies. Such a mechanism would be a practical step on the way to the formation of a long-term system of collective security and stability in Europe under the aegis of the CSCE. In the military sphere, Russia is ready to develop cooperation with NATO and partners in such areas as coordinating joint military activities, peacekeeping, transparency in military planning and military activities, and personnel training. It also expects to establish partnership relations in other areas, such as disarmament and arms control, conversion, nonproliferation of mass destruction weapons, and protection of the environment.

NATO Seen Equivocating Over Relationship With Russia

PM2405182194 Moscow ROSSIYSKAYA GAZETA in Russian 25 May 94 First Edition p 1

[Report by Aleksandr Mineyev of ITAR-TASS: "Pavel Grachev at NATO Headquarters"]

[Text] Brussels—The visit to Brussels by Russian Defense Minister Pavel Grachev which began yesterday goes beyond the framework of "protocol" visits at this level. The meetings with the Russian minister are above all expected to provide clarification of the prospects for developing relations between Russia and NATO and consequently of the blueprint for a future European security system.

Everyone in NATO agrees that a nuclear power with a huge economic and military potential must play a special role in the international security system. But NATO does not want to formally enshrine this in the framework document of a program which has already been signed by 18 countries, including eight former USSR republics, in addition to the alliance members. The framework document, NATO leaders say, is a kind of "protocol of intent" which entails no commitments. It is proposed to cooperate under an individual program, that is to say on a bilateral basis. This is where Russia's special status will be established. But if Russia does not join the program it will find it hard to influence the creation and operation of this mechanism.

Debt Rescheduling Talks With Paris Club Planned

LD2405173994 Moscow INTERFAX in English 1701 GMT 24 May 94

[Text] Moscow is to hold talks with the Paris Club of creditor states of the former USSR on the deferment of payments to service Russia's foreign debt this year at the beginning of June.

In a letter to the chairman of the Paris Club May 24, Russian Economics Minister Aleksandr Shokhin agreed on behalf of Russia to hold the talks on rescheduling Russian foreign debt in Paris on June 2-3. The minister told a press conference the same day that Moscow was prepared to pay 4.1 billion dollars (the sum set aside by the draft federal budget) in 1994 towards servicing the debt.

Shokhin stressed that Russia was concerned above all about the servicing of the Russian debt (which accounted for around 10 pct of the 80 billion dollar debt). He said that the "creditors of the former USSR had to view the situation realistically and be patient for the time being."

Shokhin stressed that the repayment of the debts to members of the Paris Club depended largely on the position of Italy. Moscow and Rome, he said, had not yet been able to agree the terms for repaying Italian loans from 1993.

As far as the London Club (which incorporates western banks to which Russia owes money), Shokhin said that talks were continuing. However, he admitted that no firm decisions had yet been made regarding that part of the foreign debt.

President Yeltsin's senior economic adviser Alexander Livshitz has reported that the first package of 6 presidential economic decrees issued on May 23 may be extended to other documents.

Speaking at an economic reform congress in Moscow on Tuesday, he suggested that new decrees may touch upon foreign investment, social security, and bankruptcy legislation.

By some evidence, up to 30 such presidential decrees are to be issued by the end of this year.

At the same time, Lifshitz voiced confidence that for furthering economic reforms, such documents should be worked out in a civilized way through the Duma and other representative bodies.

"The presidential administration hopes that next steps to adopt necessary economic laws will be taken by Duma members themselves," Livshitz said.

U.S. Mission's Far Eastern Tour Reported

MK2405114294 Moscow PRAVDA in Russian 24 May 94 p 1

[ITAR-TASS report: "A Find for America"]

[Text] Russia is being sold both wholesale and retail. Presently this is an open secret. Yet another news agency report has only proved the point.

The U.S. government's private investment corporation has started a search for Far Eastern regions that are most promising in terms of investment. Yesterday, the Americans visited the free economic zone at Nakhodka, where they examined its ports and enterprises.

The U.S. mission will also visit Khabarovsk Kray, Sakhalin, and Kamchatka. After the tour, the mission chief, U.S. Senator Ruth Harkin, said they will give recommendations to her country's entrepreneurs as to which regions of the Russian Far East are best for investment. She called Nakhodka one of Russia 's most promising areas at this stage.

No Agreement With U.S. Proposed Nuclear Test Control System

LD2505110394 Moscow ITAR-TASS in English 1017 GMT 25 May 94

[Report by ITAR-TASS correspondent Vyacheslav Bantin]

[Text] Hiroshima May 25 TASS—Russia cannot agree with a recent U.S. proposal on an international control system, which will be necessary if an international agreement on stopping nuclear arms tests is concluded, ITAR-TASS learned on Wednesday [25 May] from reliable Russian sources participating now in the U.N. disarmament conference in the Japanese city of Hiroshima.

The multilateral talks to conclude an international agreement on stopping nuclear tests which started in Geneva last January, centre on a system of control.

According to the above sources, the American side recently offered its own model of control which presupposes the simultaneous application of six verification systems and the establishment of appropriate global structures.

Russian experts believe that it will take at least ten years to implement the U.S.-brokered model. Besides, it presupposes huge financial outlays, which is objected not only by Russia, but also by other nuclear powers.

In contrast to Washington, Moscow believes that the application of two systems—seismic and atmospheric control—is quite sufficient. According to these sources, this viewpoint is backed by many participants in the nuclear tests talks in Geneva, including Japan.

The U.S. proposal, the official reply to which Moscow plans to give in the next few days, puts in jeopardy, as the sources stressed, the chance of the timely signing of the Nuclear Non-Proliferation Treaty which expires next year.

This is explained by the fact that most treaty participants, members of the Non-Aligned Movement in the main, insist that the nuclear powers should conclude an agreement on stopping nuclear tests. They agree to prolong the treaty for unlimited duration only under this condition.

Moscow Court Cancels License of Russian-U.S. Oil Venture

LD2405143694 Moscow INTERFAX in English 1304 GMT 24 May 94

[Text] The arbitration court in Moscow has cancelled a license issued to the Russian-U.S. oil venture calling itself White Nights, well-informed sources told INTERFAX. The company was expected to develop a new oil field in Tyumen region.

White Nights is the first oil producing venture formed by Russia's Varyeganneftegaz and two U.S. companies—Anglo-Suisse and Fibro Energy—in November 1990. Since then, the company produced a total of 2.4 million [metric] tonnes of crude oil from its Zapadno-Varyeganskii oil field. The project cost 53.7 billion rubles to implement. White Nights also has licenses for the development of Tagrin and Roslavl oil fields of Western Siberia.

The suit against the Russian Committee for Natural Resources (Goskomnedr) and the administration of the Khanty Mansy autonomous region was brought by a public group, Tayezhnik (uniting several local clans) which owns part of the land where the company operates.

The plaintiff on Monday challenged the legitimacy of the company's license which was negotiated rather than won at a tender. This is in breach of the federal law on mineral resources adopted in February 1992.

Russia Supports Stability on Nuclear Fuel Market

LD2305151094 Moscow ITAR-TASS in English 1421 GMT 23 May 94

[Report by ITAR-TASS correspondent Nikolay Krupenik]

[Text] St. Petersburg May 23 TASS—"Russia is far from looking for momentary profits on the market of uranium raw materials and concentration technologies as it is adhering to the strategy of mutually beneficial cooperation and partnership. We are prepared to work out jointly such quotas and prices which would not infringe on the interests of any national companies," Professor Viktor Mikhaylov, minister of atomic energy of the Russian Federation, stated speaking at the 21st conference "World Market of Nuclear Fuel" which opened in St. Petersburg today.

Taking part in this regular quorum of the international organization which is being held for the first time in Russia, are 200 experts from 20 countries representing power engineering companies, and enterprises producing uranium products and nuclear fuel.

The Russian minister drew attention of participants of the conference to the generally recognized fact that the Russian industry possessed the sufficient potential for extraction of uranium raw materials and its dressing.

According to Viktor Mikhaylov, capacities of these enterprises are even slightly bigger than those of the United States, and they are much superior to the possibilities of European plants.

At the same time the Russian minister refuted an erroneous viewpoint that the agreement and the contract between Russia and the United States on the utilization of 500 tons of highly enriched uranium which within the framework of the disarmament program is extracted and processed by Russian specialists, and then delivered to Americans for selling under national contracts, are capable somehow of affecting the world market balance. The agreement stipulates specifically that the delivered volumes of uranium should be strictly compensated by the corresponding reduction of American diffusive enterprises' capacities and do not deform the market, the Russian minister of atomic power stressed.

Participants of the St. Petersburg forum "World Market of Nuclear Fuel" which will work for two days, are discussing problems of reforming the nuclear power industry on a world scale with due consideration for the development of atomic power stations in countries of Europe and the south-east Asia, and Russia's appearance on world markets of uranium fuel.

UN Disarmament Conference Discusses Nuclear Test Ban

LD2405180194 Moscow ITAR-TASS in English 1656 GMT 24 May 94

[Report by ITAR-TASS correspondent Vyacheslav Bantin]

[Text] Hiroshima 24 May TASS—Completely stopping nuclear tests, production of fissionable materials for military purposes, and enhancing in every possible way an international dialogue on strategical stability have now become top priority tasks for nuclear powers, Chief of the Analysis and Prognosis Department in the Russian Foreign Ministry Ednan Agayev said at the U.N. disarmament conference, which opened in the Japanese city of Hiroshima today.

Agayev noted that now the nuclear restraining philosophy does not serve as a factor greatly influencing interrelations between Russia and the United States, and expressed the opinion that largest nuclear powers are now gradually reconsidering their concepts of nuclear restraint. In particular, it is testified by the fact that they are adhering to the moratorium on nuclear tests, which was until now considered to be an indispensible part of the nuclear strategy, he added. "It would be naive to think that international negotiations on banning nuclear tests within the conference on disarmament framework, which are underway in Geneva, will move ahead easily and speedily," the high-ranking Russian Foreign Ministry official noted. "But the rejection of nuclear tests by all states will, undoubtedly, help successfully holding them," he said.

Agayev said that limiting and stopping production of fissionable materials for military purposes is one of the most important efforts made in this direction by nuclear powers. "The fulfillment of this task could become a reality, if nuclear powers would look at their nuclear arsenals as an attribute of history and actively seek for their reduction," he said.

Touching upon the problem of international security under conditions of a gradual reduction in nuclear weapons, the Russian official emphasised the importance of the dialogue on strategical stability which Russia is continuing currently not only with the United States and other nuclear powers, but also with such countries as Germany and Japan. Consultations on security with the participation of military and intelligence departments' representatives might help strengthen mutual trust and expedite cuts in nuclear arsenals, he added.

"The dialogue on strategical stability helps elicit ideas which might form the basis of a new concept of security that is called on to replace nuclear restraint," the Russian diplomat noted.

Foreign Ministry Protests Recruitment of 'Mercenaries'

LD2405153494 Moscow ITAR-TASS in English 1450 GMT 24 May 94

[By ITAR-TASS diplomatic correspondents Boris Krivoshey and Aleksandr Krylovich]

[Text] Moscow May 24 TASS—Cases of recruiting Russian citizens for participation in combat operations in a number of hot spots in the former Soviet Union have become more frequent, Russian Foreign Ministry spokesman Grigoriy Karasin told a briefing here today. Recruiters from the Caucasian republics are particularly active in this business, he noted.

The Russian Foreign Ministry has lodged a vigorous protest against illegal actions by persons recruiting mercenaries on the Russian territory, Grigoriy Karasin stressed. The Russian diplomat noted that "in accordance with international law, recruiting, deploying, financing and training of mercenaries is a grave crime. Such actions run counter to a friendly character of relations among states and cannot be regarded otherwise than doing them a serious damage. In accordance with international commitments and the existing legislation the Russian side is reserving the right to take all necessary measures to put an end to such actions by the law enforcement bodies".

The Russian Foreign Ministry urged Russian citizens who have already become or intend to become "soldiers of fortune" to think better of it and give up such plans, and return to peaceful life.

The Russian Foreign Office also appealed to all countries, first of all to members of the Commonwealth of

Independent States, to take efficient measures to eliminate recruiting activities, including recruiting Russian citizens as mercenaries.

"Taking into account the fact that the problem of recruitment goes beyond national borders and can be resolved only on the basis of consolidation of efforts of all states, we are expressing our readiness to hold consultations on practical aspects of the struggle against this dangerous phenomenon both within the framework of the Commonwealth and at a bilateral level," Russian Foreign Ministry spokesman pointed out.

Russian-Belarusian Military Agreements Initialed

PM2405131194 Moscow KRASNAYA ZVEZDA in Russian 24 May 94 p 3

[Valeriy Kovalev report under the "Events and Commentaries" rubric: "Russia-Belorussia [Belarus]: Work on Agreement in Military Sphere Concluded. Another Round of Talks Between the Russian and Belorussian Delegations on Issues of Military Cooperation Has Been Held in Minsk"]

[Text] Minsk—At the request of your KRASNAYA ZVEZDA correspondent, Veniamin Popov, leader of the Russian delegation and ambassador at large, commented on the results of the talks.

"During the latest meeting," the Russian diplomat said, "we worked on preparing the texts of four agreements. Two of them deal with the future operation of strategic installations located on Belorussian [Belarusian] territory. These are the naval radio station at Vileyka, which ensures communications with the ships of the Russian Fleet, and the missile early-warning radar station near the city of Baranovichi. The third agreement will regulate issues connected with financing the group of Russian forces stationed in Belorussia. The fourth agreement will determine a procedure for allowing Belorussian air defense troops to use our missile firing ranges to carry out combat firing exercises.

"In my view, the talks went well, and were held in an atmosphere of mutual understanding and accord. Consequently we directly proceeded to initial all four agreements. All that remains is to to clarify one or two details. This will be done during our upcoming meeting in Moscow at the beginning of June, after which we will be able to submit the documents for signing by the leaders of our states' governments."

The head of the Russian delegation stressed that the success of the talks that have just taken place was decisively predetermined by the Treaty on the Unification of Russia's and Belorussia's Monetary Systems signed 12 April in Moscow. This raised a number of questions which it would not have been easy to resolve had this treaty not existed.

So what is the upshot? Following the signing of the agreements that have been worked through, Russia will get the chance to use the radio station in Vileyka even after its strategic troops have been withdrawn from Belorussia. Construction of the radar station near Baranovichi will be completed. This installation will also remain on Belorussian territory after the year 2000. It will operate not just in Russia's interests, but in the interests of all CIS countries that are party to the Collective Security Treaty, and that includes Belorussia. For their part, Belorussian missile troops will be able to carry out combat firing practice at Russian military firing ranges. They intend to take advantage of this opportunity as early as this summer.

Kozyrev: No Withdrawal From Estonia Until Issue Resolved

LD2405120494 Moscow ITAR-TASS World Service in Russian 1122 GMT 24 May 94

[By ITAR-TASS diplomatic correspondent Dmitriy Chubarov]

[Text] Moscow, 24 May (ITAR-TASS)—"We will not withdraw our troops from Estonia until the issue of the retired servicemen is resolved in a civilized fashion," Russian Foreign Minister Andrey Kozyrev said today before flying to Tallinn. He was going to Estonia to take part in a ministerial session of the Council of Baltic Sea States. The Russian minister also intends holding a series of meetings with Estonian leaders.

According to the Russian foreign minister, discussion of the Tartu treaty [signed by Estonia and Russia in 1920, dealing with territorial issues] is pointless. "We do not intend to discuss any territorial claims," the minister noted.

Touching on the situation in Crimea, A. Kozyrev stressed that the main thing now is to refrain from using force. Talks between Russia and Ukraine on this issue are continuing at this time.

Kozyrev Comments on Regional Cooperation, Estonian Ties

LD2405211594 Moscow ITAR-TASS in English 2048 GMT 24 May 94

[Report by ITAR-TASS special correspondents Dmitriy Gorokhov and Albert Maloveryan]

[Text] Tallinn 25 May—An appeal of military pensioners to dwell on the Estonian discriminative policy on military pensioners was passed over by Russian Foreign Minister Andrey Kozyrev to his Estonian counterpart Uri Luik, who chaired a session of ministers from the Council of Baltic Sea States.

Speaking at the forum, the Russian official stressed the council's role in organization of regional cooperation. He called for the consolidation of the council and specification of its activities.

The session is expected to elect the council's commissioner for human rights and ethnic minorities. Russia is ready to help him and his staffers in fulfilment of their duties on Russian territory. Andrey Kozyrev hopes that the commissioner will help settle some Russian-Estonian problems.

The Russian delegation is expected to circulate two memoranda during the session—one on human rights and the other on economic partnership—in order to give a fresh impetus to cooperation in these spheres. Russia supports the consolidation of the council's organizational mechanisms and favors close coordination of efforts taken by the council chairman, his successor and predecessor.

The current session is attended by foreign ministers from Germany, Denmark, Latvia, Lithuania, Norway, Poland, the Russian Federation, Finland, Sweden and Estonia, as well as representatives of the Commission of the European Union. The agenda includes regional cooperation, ecological and nuclear safety in the Baltic Sea area, interaction with states-members of the European Union and other regional problems. A joint communique will be adopted on the session results.

Government Accused of Pro-Armenian Policy on Karabakh

MK2405100694 Moscow NEZAVISIMAYA GAZETA in Russian 24 May 94 pp 1, 3

[Aydyn Mekhtiyev report in the "Settlement" column: "Russia's Karabakh Policy Does Not Suit the Opposition. Statement by 10 Deputies of the Russian Federation State Duma"]

[Text] Ten deputies of the Russian Federation State Duma have come out with a statement criticizing government policy over the settlement of the Armenian-Azerbaijan conflict. "Supported by the Russian government and using the conflict around Nagorno-Karabakh, Armenian military forces have occupied 14,000 sq km of Azerbaijan territory, evicting more than half a million residents, emerging as the main source of aggression in the Caucasus," stresses the document signed by, among others, opposition deputies Sergey Baburin, Aleksandr Nevzorov, and Anatoliy Lukyanov.

The statement maintains that, against the eventuality of the Azerbaijan leadership's refusing to approve the Russian peace plan, Armenian military formations are preparing an assault on the city of Gyandzha while "Armenian military forces are incapable of conducting such offensive operations without direct support from the Russian Federation Defense Ministry."

The authors of the statement believe it necessary in the very near future to hear at a State Duma session reports by the Russian Federation defense and foreign ministers to learn "to what extent the policy pursued by them in the zone of the Armenian-Azerbaijan conflict corresponds to Russia's national interests."

It is noteworthy that prior to the statement a State Duma delegation led by Russian Path deputies' group coordinator Sergey Baburin visited Baku where it held negotiations with the Azerbaijan government. Although the statement was signed by only 10 deputies (mainly representatives of the Russian National Union), it can be assumed that communist and agrarian factions in the Russian parliament will support the charges made against the Chernomyrdin government. The Liberal Democratic Party of Russia faction will hardly join this statement because Vladimir Volfovich [Zhirinovskiy] has repeated accused Azerbaijan of infringing Armenians' rights.

As for the State Duma committees, they have not as yet worked out a common approach to the Karabakh problem. State Duma Security Committee chairman Viktor Ilyukhin has signed "the statement of 10." At the same time the State Duma Committee on International Affairs so far tends to support President' Yeltsin's policy in the Karabakh conflict. Committee Chairman Vladimir Lukin, in the course of recent negotiations with Azerbaijan parliament speaker Rasul Guliyev, sought to persuade him to accept the peace plan prepared in Smolenskaya Square.

As far as concerns talks between Baku and Moscow on terms for Azerbaijan's accession to the Moscow 17 May protocol, it is so far difficult to say that a definite accord will be reached. On Saturday in Moscow talks were held behind closed doors between Russian Federation and Azerbaijan Defense Ministers Pavel Grachev and Mamedraf Mamedov. An informed source in the Azerbaijan Defense Ministry told NEZAVISIMAYA GAZETA's correspondent that in the course of the meeting Mamedov stated that a condition for Azerbaijan's signing the document is the inclusion into the text of the protocol of an exact date for Armenian troop withdrawal from the occupied territories. Baku believes that the Armenian side must start the withdrawal, not after both sides pull out their troops from the current front line but simultaneously with it. The Russian minister agreed with Baku's arguments. The sides agreed to continue consultations after Grachev's return from his trip to the NATO headquarters in Brussels.

The haste with which Russian generals are going to introduce peacekeeping forces in Azerbaijan suggests that Moscow is not particularly interested in seeing the CSCE Minsk group join the peace process. On 16 May Grachev told journalists that the Russian defense department will not wait for the arrival in the region of international observers but will be acting according to its own plan. Such a statement seems to be at odds with the accord about coordinating Moscow's and the CSCE's efforts on this issue reached between Russian Federation Foreign Affairs Minister Andrey Kozyrev and head of the CSCE Minsk group Ian Iliasson. At the end of last week the U.S. Administration warned Moscow indirectly about the impermissibility of conducting a peacekeeping operation in Nagorno- Karabakh without coordination with the CSCE and the UN.

U.S. Ambassador to Azerbaijan Richard Kauzlarich made the following statement in Baku: Any plan for resolving the Karabakh problem, including a Russian plan, must be executed within the CSCE Minsk group framework... The introduction of CIS disengagement forces into the region must proceed under the supervision of international observers.

Federation Council Official Receives Slovak Delegation

LD2405110994 Moscow ITAR-TASS in English 1049 GMT 24 May 94

[By ITAR-TASS parliamentary correspondent Lyudmila Yermakova]

[Text] Moscow May 24 TASS —Neither the State Duma nor the Federation Council will impede the ratification of the treaty between the Russian Federation and the Slovak Republic, Federation Council Deputy Chairman Valerian Viktorov told a parliamentary delegation from the Slovak Republic during their meeting in the Russian parliament today.

According to Viktorov, the Russian Foreign Ministry has already sent the document to the State Duma, the lower chamber of the Russian federal legislature, for consideration.

Slovak delegation leader Ivan Laluga said members of the new Slovak parliament, which has been functioning for a mere six months, are interested primarily in the democratization process in Russia and in principles of work of the Federation Council in this respect. He said Slovakia is considering the establishment of a second chamber in its parliament to better reflect the interests of the regions".

The sides exchanged views on the activity of legislatures in the two countries and expressed confidence that their inter- parliamentary ties will continue to strengthen.

Responding to questions about relations between the Russian Federation and the Chechen Republic, Viktorov stressed that "all problems between the federal centre and the Chechen Republic must be settled though negotiations". According to him, it is far from best to try and solve such problems by force. He said the Russian president's intention to meet with the president of the Chechen Republic was a positive development.

France's Juppe: 'Misunderstandings' on EU, Security Removed

BR2405134794 Paris LE FIGARO in French 23 May 94 p 4

[Report by special correspondent Francoise Lepeltier: "Russia: Yes to Balladur Pact"]

[Excerpt] Nizhniy Novgorod—[passage omitted] After harvesting the political results he expected from his visit to Moscow, the French foreign minister decided to devote the two final stages of his first visit to Russia—Nizhniy Novgorod and St. Petersburg—to remembrance and culture. In particular, he officially opened the French Institute in St. Petersburg, "the symbol," the minister reaffirmed, "of the new-found fraternity between Russia and France."

"The aim of my visit was to assert the French Government's desire to give full strength to the partnership between our two countries. This objective has been achieved," he said after his talks with Andrey Kozyrev, his counterpart, President Boris Yeltsin, Prime Minister Viktor Chernomyrdin, and Defense Minister Pavel Grachev. The Russian Government demonstrated a degree of caution with regard to the French stances, both on the partnership treaty with the European Union and on security in Europe. But Alain Juppe was able to clear up the misunderstandings.

European Partnership

"We are similar. You like frankness and so do I," a jovial Boris Yeltsin, who was in "excellent shape," as the French foreign minister was able to observe, told him from the outset. Andrey Kozyrev confirmed his presence at the start of the Paris meeting [conference on stability in Europe] on 26 and 27 May and Russia's pledge to follow the agreements resulting from it. In particular, the Russians have given their agreement to the principle of a roundtable on Baltic problems. General Grachev also presented the French minister with the broad outlines of the proposal he is due to unveil to NATO on Tuesday. "France endorses the idea of a Partnership for Peace. In view of its history and its size, the fact that Russia should hold a special place in it goes without saying," Alain Juppe said. In his view, Russia should also join the Council of Europe. And participate in the work of the G-7, "which one day will become a G-8."

Discussing the various crises within the CIS with the Russian defense minister, and especially the conflict between Ukraine and Crimea, Alain Juppe stressed that "France understands the special role which Russia can play in these regions," but that it can only envisage "peacekeeping operations under the auspices of an international organization." In the sphere of the partnership agreement with the European Union, the obstacle of the export of Russian nuclear fuel, which made Paris fear unfair competition on this market, is about to disappear. "I hope that between now and the meeting of the European Union ministers in Corfu, we will have found solutions which make it possible to sign this agreement," Alain Juppe said.

Grachev Leaves Wuensdorf for Brussels

LD2405123294 Moscow ITAR-TASS World Service in Russian 1157 GMT 24 May 94

[By ITAR-TASS special correspondent]

[Text] Wuensdorf, 24 May—Russian Federation Defense Minister Pavel Grachev today left the the western group of forces for Brussels where he will acquaint the NATO leadership with the basic tenets of Russia's military doctrine and his position on the "Partnership for Peace" program.

The ITAR-TASS correspondent has learned from relaible sources that the Russian minister will not, as previously planned, fly to Moscow after his official visit to Belgium—which is to take place on 26 27 May—but will return instead to the western group of forces. He intends to take part in a ceremony seeing-off the air force of the western group of forces.

Former Prosecutor Denied Exit Visa to Germany

MK2405090094 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 22 May 94 p 2

[Unattributed report under the "Around the Clock Non-Stop" rubric: "Kazannik Denied Permission to Go Abroad"]

[Text] The dismissed Russian General Prosecutor Aleksey Kazannik, who lives in Omsk, was to leave for Germany on 20 May to appear before the student body of Bonn University and elsewhere and to read a series of other lectures in German cities.

However, as Aleksey Ivanovich [Kazannik] told MOSKOVSKIY KOMSOMOLETS in an interview, the Russian Foreign Ministry would not issue him the visa without actually explaining why. Aleksey Ivanovich believes this is simply political revenge in the wake of his criticisms directed at President Yeltsin.

Finnish Premier Ends 'Fruitful' Visit to Murmansk

LD2405205294 Moscow ITAR-TASS in English 2009 GMT 24 May 94

[Report by ITAR-TASS free-lance correspondent Vladimir Novikov]

[Text] Murmansk 25 May TASS—A two-day Murmansk visit of Finnish Prime Minister Esko Aho, accompanied by a large group of Finnish businessmen, has been completed.

The Finnish prime minister told correspondents at a final news conference his meeting with the business community of the Kola peninsula were very useful and fruitful. The news conference was also attended by head of the regional administration Yevgeniy Komarov.

Late at night the premier left for Helsinki.

Finnish Nuclear Alert Exercise Causes 'Considerable Panic'

PM2505092594 Moscow IZVESTIYA in Russian 24 May 94 p 2

[Report by Marat Zubko: "Finnish Nuclear Alert Exercise Alarms Russia"]

[Text] Helsinki—The Finnish mass media report that exercises designed to eliminate a potential accident at the nuclear electric power station in Loviisa, a city on the south coast of Finland, were interpreted in Vyborg and St. Petersburg as a real disaster and thus caused alarm to the authorities and considerable panic among the population.

"People in Vyborg," Helsinki newspapers report, "were so convinced by these rumors of an accident in Finland that the local radio and television advised the population on ways to protect themselves against radiation. Residents were urged not to go out into the street while people already outside were advised to wash their clothing thoroughly." Finnish television claims that similar appeals were made in St. Petersburg, too.

How could the disaster rumors have developed? The Finnish Ministry of Internal Affairs has given the following explanation: One of the things that was checked out as part of the exercises at the Loviisa nuclear power station was the emergency radio communications system, and conversations via that system could have been heard in neighboring areas of Russia.

The exercises were held last Wednesday [18 May], but the Finnish authorities did not learn about the disquiet across the border until Friday evening when businessmen arriving from Russia bombarded the police with questions about what had happened at the Loviisa power station and whether it was safe or not to travel on to the west of the country. These reports appeared in the press on Saturday.

The Finnish authorities, as the local television service reported, informed the Russian side that all was calm in Loviisa, that nothing had happened there, and that the radiation situation in Finland remains normal. Nevertheless, I hope that two small conclusions will be drawn from this episode.

Conclusion number one: Since the alarm was raised in Vyborg and St. Petersburg when the radio conversations at Lovisa were intercepted, this means that there is a danger alert system in operation there, which can only be good news.

Conclusion number two: It would be a good idea if countries which hold such exercises were to notify neighboring states in good time, especially if they are going to go on air and talk about disasters.

Norway To ‘Breathe New Life’ Into Relations With Moscow

LD2505101094 Moscow ITAR-TASS in English 0720 GMT 25 May 94

[By ITAR-TASS correspondent Igor Pshenichnikov]

[Text] Oslo May 25 TASS—The Norwegian Government has recently decided to breathe new life into its waning economic relations with Russia.

ITAR-TASS has learned from trustworthy diplomatic sources that the Norwegian Government has decided to cancel the strict rule in trade with Russia, which had been in force so far, according to which the Russian Government was required to issue like guarantees in reply to Norwegian financial guarantees to credits granted for various joint economic ventures. The Norwegian cabinet of ministers plans to submit for the parliament's endorsement a proposal not to demand any reply financial guarantees from Russia. Henceforth, Norwegian businessmen will trade with their Russian partners relying only on the guarantees provided by their own country.

On the initiative of the Foreign Ministry, the norwegian Government plans to ask the parliament for permission to allocate 500 million krones (almost 68.5 million dollars) to guarantee the credits that will be granted by Norwegian companies to East European and CIS nations without any reply guarantees. Pride of place in this crediting policy is given to Russia. Moreover, the cabinet will ask for 100 million krones (13.7 million dollars) for the so- called “losses fund”. In other words, this will be money that one “could lose” if trade with unreliable partners.

According to various sources, the parliament, most likely, will not object to this decision.

Swedish Aide: ‘Too Many Military’ in Kaliningrad Oblast

PM2405124794 Moscow KRASNAYA ZVEZDA in Russian 24 May 94 p 2

[Valeriy Gromak report: “Officers Seem To Have Chance to Study in Sweden”]

[Text] Kaliningrad—Swedish Foreign Minister Baroness Margaretha af Ugglas is here on a familiarization visit. The baroness met with Yuriy Matochkin, head of the Kaliningrad Oblast Administration, visited the Kaliningrad International Business School, toured the city, laid wreaths at the tomb of the German philosopher Kant and the Pushkin Memorial, and met with journalists. The Swedish foreign minister believes that Kaliningrad Oblast has too many military personnel, and Sweden is prepared to help retrain officers being discharged into the reserve.

Moscow Denies Recognition of South Yemen

PM2405140394 Moscow KRASNAYA ZVEZDA in Russian 24 May 94 p 3

[Mikhail Zheglov report: “Moscow Denies Claim of Recognition for DRY”]

[Text] Almost exactly four years after the unification of North and South Yemen into a single state, a real threat of a split has emerged. At the end of last week ’Ali Salim al-Bid, deputy chairman of the Yemen Republic's Presidential Council, announced the secession of the south of the country and the formation of a new independent state—the Democratic Republic of Yemen [DRY]. Moreover, elections to the Presidential Council were held almost immediately in the southern capital of Aden, and it is planned to form a government of the republic in the very near future.

In a statement on this issue, an ITAR-TASS correspondent reports, ’Ali Salim al-Bid stressed that the new state is “part of the Arab nation and its political system is based on the principles of party and political pluralism.” The DRY sees its main aim as being to restore Yemeni unity on the basis of the Document of National Accord and Reconciliation signed 20 February this year. At the same time, the leader of the “Southerners” called on Arab states to recognize the DRY and give it every possible assistance.

This development of events has forced ’Ali ’Abdallah Salih, the leader of the “Northerners,” to issue an order to resume the offensive on Aden which was suspended for the Muslim feast of ’Id al-Adha. Bloody battles have again been launched in the vicinity of the al-’Anad Air Base, 56 km from the southern capital. Judging by everything, the “Northerners” have succeed in establishing control over this strategically most important installation. Indirect confirmation of that was the statement from the “Southerners”’ military command to evacuate arms dumps and stores of material and technical resources from the region. At the same time, there have been reports of the construction of defensive fortifications in the suburbs of Aden.

Meanwhile, almost a month of fighting has shown that neither side has been able to win the strategic initiative. Different sources in Sanaa have admitted that the resistance from the “Southerners” has been “unexpectedly stubborn.” In ’Ali ’Abdallah Salih's opinion, this is also happening because “certain countries are continuing to supply arms to Aden.”

In this connection ’Ali ’Abdallah Salih stated that these actions will be seen as blatant interference in the country's internal affairs, with all the ensuing consequences. He also warned against any attempts to voice support for or to recognize the DRY.

Strangely enough, there are some stubborn rumors in Sanaa that the first state to recognize the independence of South Yemen has been Russia. This has forced

Russian Foreign Ministry representatives to categorically deny these fabrications. Viktor Posuvalyuk, director of the Department for Near East and North African Countries, stated that Moscow is expressing extreme concern about the continuation of hostilities in Yemen and is calling for a cease-fire, which would benefit the entire Yemeni people.

Foreign Ministry Declares Support for Yemen's Unity

LD2405144694 Moscow ITAR-TASS World Service in Russian 1346 GMT 24 May 94

[By ITAR-TASS diplomatic correspondent Vyacheslav Akimov]

[Text] Moscow, 24 May (ITAR-TASS)—"Russia supports the unity and stability of Yemen". The ITAR-TASS correspondent was told today by a representative of the Russian Federation Ministry of Foreign Affairs that this was contained in a message from the Russian leadership which was conveyed to 'Ali 'Abdallah Salih, chairman of the Presidential Council of the Republic of Yemen, yesterday by the Russian ambassador to Yemen.

It notes in the message that Russia follows the development of events in Yemen attentively and is concerned over the continuing military operations and senseless fratricidal bloodshed, as a result of which hundreds of people have perished. Moscow, the message says, calls for a cease-fire and supports the unity of the entire people of Yemen.

Foreign Ministry Seeks To Bring Damascus, Tel Aviv Closer

LD2405161994 Moscow ITAR-TASS World Service in Russian 1330 GMT 24 May 94

[Report by ITAR-TASS diplomatic correspondents Boris Krivoshey and Aleksandr Krylovich]

[Excerpt] Moscow, 24 May—Russian diplomacy is focusing its efforts on resolving the task of bringing closer the positions taken by Damascus and Tel Aviv in order to arrive at practical accords between them as soon as possible, Grigoriy Karasin, the head of the press and information department of the Russian Foreign Ministry, said at a briefing today.

In his words, Moscow believes the Israeli-Palestinian breakthrough does not a priori mean an irreversible turn in the direction of a comprehensive and just peace in the region. It is obvious that now is the time to resolutely move forward in all areas of the Arab-Israeli talks, and particularly with regard to Syria, the Foreign Ministry spokesman said. [passage omitted]

Shokhin Arrives in Beijing, Comments on Russo-Chinese Ties

LD2505084294 Moscow ITAR-TASS in English 0711 GMT 25 May 94

[Report by ITAR-TASS correrspondents Grigoriy Arslanov and Vyacheslav Tomilin]

[Text] Beijing 25 May TASS—"The Chinese visit by Russian Premier Viktor Chernomyrdin which will start on Thursday [26 May] and the second session of the Russian-Chinese intergovernment commission on trade, economic, scientific and technical cooperation which opens in Beijing on Wednesday, are two independent events, but they are closely connected with each other," Russian Vice-Premier Aleksandr Shokhin who is also co-chairman of the commission, said at the Beijing airport today.

"I believe that this coincidence is beneficial for our work," he said in an exclusive interview with ITAR-TASS on his arrival in Beijing. "We shall prepare to a great extent the economic part of our premier's visit during the commission's work.

"We shall actively join the work of the premier's delegation tomorrow, taking into account results achieved at the session."

The first session of the joint commission was held in Moscow in 1992, while the next one was scheduled for last autumn. "Regrettably," Shokhin said, "we are late a bit with its holding due to political events in Russia. I mean the elections."

Turning to the present state of bilateral trade and economic relations, he pointed to good results of the past two years: the volume of trade turnover achieved even during the best years of Soviet-Chinese cooperation, has been topped.

At the same time, some drop has been registered of late. In the opinion of the vice-premier, this is explained by the fact that traditional forms of cooperation have been exhausted.

"We plan to discuss new methods of cooperation with our Chinese colleagues. I have in mind such mechanisms as access of Russian exporters to the Chinese national currency and the right of importers to choose commodity suppliers as well as long-term investment cooperation.

"I believe that, using this forms of cooperation, we shall be able to bring Russian-Chinese trade and economic relations to a new level of development," the vice-premier concluded.

Premier To Study Chinese Reform Experience

PM2405131794 Moscow ROSSIYSKIYE VESTI in Russian 24 May 94 p 3

[Nikolay Gorlov article under the "Visits" rubric: "Will the 'Chinese Lantern' Show Us the Right Way? Russian Premier Viktor Chernomyrdin Begins Official Visit to PRC 26 May"]

[Text] Sino-Russian trade and economic cooperation in 1992-1993 was fairly dynamic. Last year bilateral trade rose 30 percent to total $7.7 billion. China was Russia's number two trading partner after the FRG. At the same time our country's position is more modest in the Chinese "league table"—it comes seventh after Japan, Hong Kong, the United States, the FRG, Taiwan, and South Korea.

During a recent visit to the PRC by a Russian State Duma delegation led by Ivan Rybkin it was noted that by no means full use is being made of the potential for broadening bilateral ties. The Russian market is still experiencing shortages of food and consumer goods, creating the preconditions for increased imports from China, particularly to parts of Siberia and the Far East. At the same time there is potential for increasing exports of Russian machinebuilding output to China (it now accounts for around 35 percent of all our exports to the PRC).

Early in 1994 Sino-Russian trade was seen to decline. In the first quarter it dropped 44 percent compared with the same period last year. Specialists think that the reason for the slump was that trade predominantly in the form of barter has exhausted its potential. A move to more modern forms of economic production cooperation is what is needed, with mutual capital investment and the creation of joint enterprises.

At the moment inadequate use is being made of this potential and Russia is, moreover, clearly lagging behind in this field. In 1992 300 Chinese missions and joint enterprises were registered in our country while in 1993 the figure was around 500. In China there are just over 400 enterprises involving Russian capital. Their contribution ($200 million) to the Chinese economy as part of overall foreign investment (last year credit and investment agreements were signed worth $110 billion) is still a drop in the ocean.

Legal, organizational, and financial support from the state is needed to change the situation along with the development of a market infrastructure—a transport network, banking system, etc. State intervention is needed to restore equivalent commodity exchange and monitor the quality of the output supplied and contract deadlines. These matters are expected to be discussed during Viktor Chernomyrdin's visit to China.

The second important aspect of the Russian prime minister's trip is to study the experience of Chinese reform. Over the last 14 years China's economy has developed extremely dynamically. In 1992-1993 the PRC was the world leader in terms of the pace of economic growth (over 13 percent a year). In 1993 industrial production rose 21.4 percent, while investment in fixed capital was up 50.6 percent. Industrial production is rising fastest in the private sector and at enterprises involving foreign capital (64.6 percent) as well as at enterprises in collective ownership (39.8 percent).

The sphere of market relations in China is gradually expanding. The proportion of planned output in total industrial production has been seen to drop this year to 5 percent, while goods sold at state prices account for only around 10 percent of retail trade.

The Chinese securities market is developing successfully. Stock exchanges are operating in Shanghai and the Shenzhen special economic zone. Around 13,000 joint-stock and shared enterprises of various types have been registered. Shares in 124 companies are quoted on the local stock market and shares in nine on foreign exchanges. In 1994 there are plans to issue shares worth 5.5 million yuan (one U.S. dollar is equivalent to approximately 8.5 yuan). And 22 enterprises will be authorized to sell shares abroad.

The liberalization of foreign economic activity is continuing. New spheres of investment opened up for foreign businessmen in 1993-1994—domestic trade, highway, railroad, and airfield construction, legal services, insurance, consultancy, auditing, etc. There are 93 banks and financial companies based on foreign capital at work in China. Duties on several thousand commodity groups have been considerably lowered in preparation for joining GATT.

Experiments have begun to transform state enterprises into joint-stock companies. The state's share of their capital will gradually decline. It is planned that only purely defense enterprises will remain in state ownership in five or seven years. China has decided to renounce voucher privatization.

A new tax system has been introduced as of 1 January 1994. The former turnover taxes have been replaced by value-added tax (at a rate of 17 percent—13 percent for some commodities) and excise duties. A single profits tax has been established for all enterprises regardless of their form of ownership (33 percent). Income tax rates paid by individuals have been unified. Some new taxes have been introduced—on real estate, inheritance, and the use of natural resources.

There have been changes in the system of tax payments into budgets of various levels. The center's share of total consolidated budget income will rise to 60 percent within five years (now 38 percent).

Reform of the banking system has begun. The People's Bank of China will be turned into a central bank responsible for maintaining the stability of the national currency and monitoring inflation. Three of the four specialized banks are being commercialized and the functions of providing preferential credit transferred to three new state banks specially set up for this purpose. Joint-stock commercial banks will be extensively developed.

As of 1 January 1994 the practice has been introduced whereby export enterprises have to sell all their hard-currency revenue to authorized banks. A single market rate has been fixed for the yuan. The circulation of foreign currency is banned in the country. Import enterprises buy currency from the banks at the market rate.

Despite what are by and large positive results of economic reform, certain alarming symptoms have emerged in China too. The country's economy is threatened with "overheating" due to excessive investment and credit, which is to a considerable extent covered by increasing the money supply.

Inflation has increased. Whereas in 1993 prices rose 13 percent, in the first quarter of this year they are up 20 percent. Over 80 percent of state enterprises are overtly or covertly lossmaking, which has brought about a drastic increase in defaults on payment. The high and uneven pace of industrial growth across various sectors has created new imbalances in the national economy. China's experience in combating these negative phenomena—in a country where there is still tight state regulation—could be extremely useful to Russian specialists.

In particular, Chinese methods of giving support to the agro-industrial complex deserve attention. The production of highly important agricultural produce is loss-making here and is backed with income from rural industrial and service enterprises. There are over 20 million of these enterprises.

The social orientation of Chinese reforms is an extremely important aspect. Throughout the period of economic transformations increases in citizens' real income and improvements in housing conditions, medical services, and the social insurance system have been recorded. All this ensures extensive support among the population for the reform course.

Shumeyko Conveys Yeltsin Message to Chilean President

LD2405112594 Moscow ITAR-TASS in English 1111 GMT 24 May 94

[By ITAR-TASS special correspondent Viktor Dmitriyev]

[Text] Santiago May 24 TASS—"Chilean President Eduardo Frei Ruiz Tagle shares my opinion that only strong presidential power, combined with fruitful parliamentary activities, can ensure changes in a country," speaker of the Russian parliament upper chamber Vladimir Shumeyko said on Monday after a meeting with the Chilean leader at the La Moneda Palace.

Shumeyko leads a Russian delegation touring Latin America.

Replying to journalists, Shumeyko said that he conveyed a message by Russian President Boris Yeltsin to the Chilean president.

According to the Russian speaker, the letter points to the importance of strengthening relations between countries which took a similar road of development—Russia and Chile. "Our country has used to some extent Chilean experience in a search for civil accord," the message notes.

Shumeyko expressed confidence that interstate and intergovernment relations between the two countries will be actively developed. He specially pointed to the importance of developing cooperation between Russian and Chilean businessmen, stating that Russia, as well as Chile, banks on the private sector in its economy.

Later in the day, Shumeyko and other delegation members had a meeting with president of the Chilean Senate Gabriel Valdes, where the sides also pointed to the importance of boosting Russian-Chilean relations.

According to Valdes, Chile has record (for Latin America) investments in such foreign countries as Peru, Brazil, Argentina, etc. There is a possibility of making big Chilean investments in the Russian economy in future, the Senate president said.

"We do this not because we are rich but due to the fact that our economy is open," Valdes stressed.

Vice Admiral Says Subs Sold to DPRK Not Restorable

LD2405123094 Moscow ITAR-TASS in English 1211 GMT 24 May 94

[By ITAR-TASS correspondent Anatoliy Yurkin]

[Text] Moscow May 24 TASS—Russia's diesel-powered submarines sold to North Korea for scrap metal cannot be restored and used in combat, Vice-Admiral Viktor Topilin told ITAR-TASS.

He rejected as groundless allegations that it is possible to dismantle the submarine missile launchers and assemble them again for use in land complexes.

The vice-admiral said the ballyhoo in Japan around the sale of 12 disarmed Russian submarines to North Korea aims at spreading disinformation. Many experts in the Russian Defence Ministry confirm to ITAR-TASS that they shared the vice-admiral's view. According to them, Japanese media reports were published in order to alleviate the shock caused by the fact that 70 kilogrammes of powdered plutonium were found in Japan's atomic industry centre, an amount sufficient to manufacture nine atomic bombs.

Fiasco of Aborted Shokhin ROK Visit Viewed

PM2405141594 Moscow IZVESTIYA in Russian 24 May 94 p 4

[Sergey Agafonov report: "Restricted Shokhin, or Moscow Vaudeville Act"]

[Text] Seoul—At the end of last week another spasm occurred in Russian foreign policy: The talks with Seoul over the whole range of trade and economic relations, pegged to the South Korean president's visit to Moscow, were suddenly called off. Although the leadership's active desire to hush up this affair and to avoid great publicity can be observed, there is no getting away from this extraordinary occurrence, and it is necessary to speak of it.

Russian diplomacy, writhing in convulsions brought on by the capricious situation at home and by unprofessionalism, has valiantly disgraced itself once again, having made even doubters come to believe that the problem of saving the face, prestige, and reputation of a civilized, stable partner in contacts with the outside world is either secondary or simply does not exist for the present Russian political elite.

We spat right in our own eye in the manner of a cheap vaudeville act: Just a few hours before the Russian delegation was due to arrive in Seoul (a special flight was planned for almost 50 high-ranking people, including several ministers and governors) Moscow informed the Koreans that Vice Premier Shokhin, head of the mission and cochairman of the bilateral intergovernmental Committee for Economic and Scientific-Technical Cooperation, could not leave his workplace because of some internal circumstances, and the delegation would hardly travel without its head; then another report arrived from Moscow, imparting the news that the measure which the sides had been working selflessly to prepare for almost two years would still take place, only instead of Shokhin, who is burdened with sudden difficulties, another vice premier—Yarov—would be in charge. True, Yarov is not particularly knowledgeable about Russian-Korean economic affairs but, on the other hand, he is of appropriate rank and is not bound by circumstances. Finally, two or three hours later, the "Yarov version" also fell through—the Koreans were notified definitely that the Russian delegation would not appear in Seoul at all....

Moscow's odd feint, which struck the Koreans to the very bottom of their oriental soul, was at first perceived in Seoul as a symptom of a sharp exacerbation of the internal political crisis in Russia, threatening major reshuffles in the Kremlin corridors and other large-scale upheavals minute by minute. Instead of upheavals, however, Shokhin participated in Russian-Finnish talks and other measures, the Council of Ministers met on schedule, and enigmatic Russian life clearly had no intention of becoming unsettled. This made the puzzled Koreans look for other explanations, engage in soul-searching, and urgently analyze how Seoul could have angered Moscow so greatly. The nerve-racking work ended in the conclusion that the Korean side had provided no grounds on the eve of the summit meeting for a cooling or, still less, the wrecking of the intergovernmental talks. When it became crystal clear that no other interpretation could be found for the surprise from Moscow, except that "restricted movement" status had been imposed on Vice Premier Shokhin, emotions flared in Seoul. The Koreans regarded our nice vaudeville act as an insult.

Just two factors have kept bilateral relations from major complications and a flat spin. The first, main factor is the aforementioned visit to Russia of Korean President Kim Yong-sam, which is scheduled for 1 June and remains on the agenda. The second is Yeltsin's personal message to Kim Yong-sam apologizing for the omission and assuring him that the calling off of the talks has no bearing on the bilateral dialogue. As is our custom, the letter did not arrive prior to the extraordinary occurrence but 24 hours after it, only after an adverse squall had swept through the Korean press.

It is clearly too soon to regard the incident as closed. The thing is that the called-off talks were conceived not only for the sake of inaugurating the intergovernmental Committee for Economic Cooperation but also as a kind of lightning conductor—the sides were to have discussed in detail a number of complex issues in bilateral affairs so as not to submit them "raw" to the meeting of the two presidents. Central to these issues are the problem of Russia's failure to repay its debts relating to Korean credits, the question of compensation for those who died on board the downed Korean Boeing, and other far from cheerful issues. Since the lightning conductor has not worked, Moscow must be prepared for all this to surface in the summit talks and not improve the climate there. Another nuance is a purely personnel one. Both in Gaydar's cabinet and in Chernomyrdin's government the economic part of the Korean salient was entrusted to Shokhin, who visited Seoul repeatedly and "ran" bilateral affairs. The present misfire with regard to his trip to Korea will inevitably freeze the very figure of Shokhin for Seoul and undermine its trust in him, unless Yeltsin personally rehabilitates his vice premier within the next few days.

The biggest ricochet—the severe blow to the prestige of Russian diplomacy and the undermining of the reputation as a reliable and stable partner—will have to be kept in mind until "better times," since, as practice shows, Russia does not yet wish to learn from its own mistakes. Seoul believes, incidentally, that such "better times" will inevitably come in Moscow.

It remains to add that Poltoranin, former vice premier and current parliamentarian, has been noticed in Seoul instead of the restricted Vice Premier Shokhin. He has been noticed in the trading rows in the market. Diverse sources, however, are so far failing to mention the purpose of Poltoranian's visit to Korea. Surely not a new vaudeville act?...

Search for Soviet POW's, MIA's in Afghanistan To Continue

PM2405150594 Moscow KRASNAYA ZVEZDA in Russian 24 May 94 p 3

[Aleksandr Oliynik report: "Such A Long Return"]

[Excerpts] As has already been reported, an official ceremony to hand over two Soviet POW's—the Russians Aleksey Olenin and Yuriy Stepanov—to the Russian side was held at Pakistani Prime Minister Benazir Bhutto's residence 16 May. On 22 May KRASNAYA ZVEZDA's correspondent was among those who met their countrymen at Sheremetyevo-2 International Airport off the flight from Islamabad. Ashraf Jehangir Qazi, Pakistani ambassador to Russia, was among the welcoming party. [passage omitted]

All the parents of men captured in the Afghan War have been waiting for just such a moment. Unfortunately, there is still no accurate information on how many of our POW's are held in war-torn Afghanistan. Although the total number of MIA's, according to Russian Federation Defense Ministry figures, is 290. It is known from various sources that only 60 or 70 of them are alive.

"The complex work to find Soviet POW's is being held up for a whole host of reasons," I was told by Russian delegation member Leonid Biryukov, the man from the CIS Heads of Government Council Committee for Internationalist Servicemen Affairs who is responsible for the search for MIA's. "First and foremost, because a fierce internecine power struggle is under way in Afghanistan. President Rabbani now has no time for our prisoners, although he has stated that he will do everything in his power to free them."

In conversation with KRASNAYA ZVEZDA's correspondent, Tatyana Samolis, press secretary to the director of the Foreign Intelligence Service, stressed that the search for former Soviet soldiers is one of the areas for cooperation between Russian intelligence and similar departments in other states—primarily those which can have a real influence on solving this problem. She noted that the release of Olenin and Stepanov was possible thanks to the close collaboration between two special services—the Russian Foreign Intelligence Service and the Pakistani Defense Ministry's Inter Services Intelligence.

Russians Win Contract to Modernize Indian MiG's

PM2505083994 Moscow ROSSIYSKAYA GAZETA in Russian 24 May 94 First Edition p 3

[Report from ROSSIYSKAYA GAZETA, ITAR-TASS roundup under the rubric "Yesterday, Today, and Tomorrow": "Design Office Named for Mikoyan Victorious"]

[Text] The Mikoyan Design Office has won a contract to modernize more than 100 MiG-21 bis fighter planes in the armory of the Indian Air Force.

As the Indian Ministry of Defense reported, the contract is valued at $350 million. The Russians won this right in fierce competition with Western and Israeli companies.

Political Issues

Yeltsin Addresses Letter to State Duma on Decrees

LD2505084594 Moscow ITAR-TASS in English 0736 GMT 25 May 94

[Report by ITAR-TASS correspondent Ivan Novikov]

[Text] Moscow 25 May TASS—In connection with the package of six presidential decrees, signed on 23 May 1994, Russian President Boris Yeltsin has addressed a letter to the State Duma (lower chamber of the Russian parliament), calling its attention to several circumstances.

"The proclamation of these decrees," the letter says, "is dictated by the imperative need to pull the country out of the economic crisis and to continue the reforms. Due to various reasons, the present legislation does not ensure the needed conditions for the effective reformation of the Russian economy. Due to this, and in order to fulfil their constitutional duties and the president's and government's commitments under the social concord agreement, a decision was adopted to step up the ongoing economic transformations.

The president informed the State Duma that after the adoption of his decrees, the Government of the Russian Federation was instructed to submit to the Federal Assembly (parliament) bills, worked out on their basis, so that the latter could adopt amendments and supplements to the legislation in force. "The decrees, in the part relating to the competence of the Federal Assembly, will remain in force until corresponding federal laws are adopted," the president's letter says.

'Democratic Russia' Movement To Become Party

MK2405102994 Moscow SEGODNYA in Russian 24 May 94 p 2

[Petr Pavlov report under the "Veterans" rubric: "'Democratic Russia' Wants to Be a Party Again. Mr. Yakunin and Mr. Ponomarev Still Have a Grudge Against Mr. Yeltsin and Mr. Gaydar"]

[Text] A meeting of the heads of regional branches of the "Democratic Russia" movement was held on 21 and 22 May. Taking part in it were 100 delegates representing 40 regional "Democratic Russia" organization. Leaders of the "Democratic Russia" regional branches who voiced the intention to join "Russia's Choice" were not invited to the meeting.

Those present held a discussion on the political situation in Russia and the situation in the democratic movement. They also discussed questions pertaining to forming, on the basis of the "Democratic Russia" movement, a party of the same name. After long debates, some 30 heads of regional branches thought it necessary to sign a manifesto, "Our Principles," thus automatically becoming members of the organizing committee of a Federal Party of "Democratic Russia" (FPDR). Its founding conference is not scheduled until this fall.

"Democratic Russia" leader Lev Ponomarev, who became chairman of the new party's organizing committee, thought it necessary to point out that the democratic movement is going through a crisis, while "the reforms have backfired, the president's will is absent, the president has become fenced off from democratic structures." In Mr. Ponomarev's opinion, the current problems experienced by the democratic movement have been caused by actions of the organizing committee of the emerging "Russia's Choice" party, in Lev Ponomarev's phrase, on the bones of the eponymous election bloc.

Gleb Yakunin, Mr. Ponomarev's colleague and longstanding comrade-in-arms, accused the "Russia's Choice" leaders of having dealt a formidable blow at Russia's democratic movement. At the same time Mr. Yakunin predicted a swift downfall for "Gaydar's party," pointing to the fact that regional branches are leaving "Russia's Choice" while many leaders of the parliamentary faction are displeased with Yegor Gaydar's actions and "are contemplating possibly leaving the bloc."

Besides, the cochairman of "Democratic Russia" leveled sharp criticism at President Yeltsin. "Shame on Boris Nikolayevich that he did not even give 'Democratic Russia' any premises through these years, as neither did Sergey Filatov. This is the style of ingratitude," Mr. Yakunin complained. However, Mr. Ponomarev pointed out that he still continues to pin hopes on Boris Yeltsin alone. At the same time, yet another "Democratic Russia" chairman, Galina Starovoytova, who also spoke at the conference, thought it necessary to state: "With all respect for Boris Yeltsin, and despite his tremendous merits and a great historic contribution to the cause of the country's democratic development, is still politically on the way out."

Government Edict on Export of Arms, Associated Services

PM2405131594 Moscow ROSSIYSKAYA GAZETA in Russian 24 May 94 p 4

[Russian Federation Government Decree No. 479 "On Giving Enterprises the Right To Participate in the Russian Federation's Military-Technical Cooperation With Foreign Countries," dated Moscow, 6 May 1994, and signed by Russian Federation Government Chairman V. Chernomyrdin]

[Text] In order to raise the efficiency of the Russian Federation's military-technical cooperation with foreign countries, the Russian Federation Government **decrees:**

1. To ratify the Statute on the Attestation and Registration of Enterprises, giving them the right to carry out

exports of weapons and military hardware and of military work and services, and put it into effect as of 1 May 1994.

2. To give enterprises which develop and manufacture weapons and military hardware and are attested and registered as participants in foreign economic activity in the sphere of military-technical cooperation, the following rights:

to seek out foreign clients in countries with which military-technical cooperation is not prohibited, to carry out demonstrations and, during talks, to give the tactical and technical specifications of weapons and military hardware whose export is authorized, to announce the guideline price agreed according to the established procedure, and to conduct advertising work and other marketing work;

to sign contracts and, on the basis of licenses obtained according to the established procedure, to independently export weapons and military hardware they have manufactured over and above the state defense order, as well as military work and services;

to select agents from among the organizations which have obtained, according to the established procedure, permits to conduct foreign economic activity in the sphere of military-technical cooperation.

3. As a partial amendment to Point 3 of the Statute on the Procedure for Licensing the Export and Import of Military Output (Work, Services) on the Territory of the Russian Federation, ratified by decree No. 80 of the Russian Federation Council of Ministers-Government dated 28 January 1993 (SOBRANIYE AKTOV PREZIDENTA I PRAVITELSTVA ROSSIYSKOY FEDERATSII, 1993, No. 6, p 484), to prescribe that the export of spare parts, training equipment, and accessories for weapons and military hardware earlier supplied to foreign countries, and also the carrying out of work as part of their technical servicing and repair (including the use of series-produced subassemblies to replace those that have been taken out of production) is carried out without the formulation of a Russian Federation Government decision.

[signed] Russian Federation Government Chairman V. Chernomyrdin

Implications of Arms Trade Decree Viewed

PM2305110594 Moscow ROSSIYSKAYA GAZETA in Russian 21 May 94 First Edition p 2

[Article by military observer Vladimir Klimov: "Russian Arms Under Contract"]

[Text] Approve the attached Statute on the certification and registration of enterprises for the right to export weapons and military equipment and to perform work and services for military purposes. (From the Russian Federation Government Decree No. 479).

Our defense industry is on starvation rations. It has already become a habit to complain of the dwindling size of funds earmarked by the state. At a press conference Defense Minister Army General Pavel Grachev complained that the defense industry enterprises are not being allowed to earn money. If they were allowed to trade in their output many problems of the financing of the defense industry would be removed.

It is not long since the day when this wish was voiced but it looks as though the minister's dream is beginning to come true. The government decree, one of whose clauses is cited at the start of this article, has switched the trading light for the defense industry from red to green.

What rights are being offered to the enterprises which develop and produce weapons and military equipment and which have been certified and registered as participants in foreign economic activity in the field of miltary-technical cooperation? They can look for foreign clients, make presentations, and pass on during talks the tactical and technical specifications of arms authorized for export, give a guideline price, and perform advertising and other marketing operations.

But that is only the first authorized step. The second is the signing of contracts and, on the basis of the licenses received, the independent export of weapons and military equipment produced over and above the state defense order, and operations and services for military purposes.

But what if a defense enterprises does not yet have specialists capable of trading at international level? In that case it is permitted to choose middlemen among the organizations which have the right to conduct foreign economic activity in the field of military-technical cooperation.

The final point of a decree usually contains something of secondary importance. Probably the compilers of this decree did not regard as important the permission given to enterprises without drawing up a government decision to export spare parts and training and auxiliary materiel for weapons and military equipment already supplied abroad and also to perform work on their technical servicing and repair. But this point is extraordinarily important, since because of the absence of permission to carry out repairs and servicing and to sell training models, deals ready for signing were frequently thwarted.

This factor is also considered in the low percentage of sales of Russian weapons on the foreign market. Optimists believe that our share is something in the region of 11 percent, while pessimists believe it is 5 percent. Both figures are an indicator of our inability to trade.

What is of interest to the foreign customer right now? Primarily aircraft. There is a constant demand for the "Mig-29" and the "Su-27."

A lot has been written about the sale of combat aircraft. Just as much has been written about firearms. But in speaking of firearms we for some reason as a rule mention the Kalashnikov assault rifle. But we now produce completely new firearms—underwater, noiseless, with a great killing power, for the special troops. These innovations are a tasty morsel for foreigners. High-class weapons—and without exaggeration it may be said there is no other kind in Russia—are essential in the struggle against terrorists and criminals.

The press mentions considerably less frequently the fact that the Russian "Igla" and "Strela" small air defense missile complexes are no less popular in the world than the U.S. "Stingers." The "Strela" was developed at the "Tochmash" design bureau and is intended for troops' air defense. Over 30 countries have bought the "Strela" for their own armies. The latest model, the "Strela-10MZ," is a lightweight missile complex which is directly in the combat formations of the motorized rifle and tank regiments and can effectively protect them from aircraft, helicopters, cruise missiles, and remotely piloted vehicles.

Even more flattering terms can be used to describe the S-300B mobile system of anti-aircraft guided missile weapons with two types of missiles. This supermodern air defense system was created at the "Antey" science and production association and despite its high cost is finding no shortage of customers.

And where are these countries which are prepared to respond to our offers of weapons? Russia's defense industry people have business relations with the states of the Near and Middle East, Southeast Asia, China, and India. The East European countries also remain purchasers of Russian weapons.

I wrote about the defense industry people's business relations and though I had made a mistake. After all, previously neither the "Tochmash" design bureau nor the "Antey" science and production association nor any other defense enterprises had anything. They had to make do with just the state order issued from above. And with the ruble, constantly dwindling because of inflation. But now the defense industry people will be able to obtain the "greenbacks" so prized in our country now. I want to believe that the dollars it earns will help the defense industry to survive under present conditions and to retain its powerful scientific potential and will enable it to pay people a normal wage.

But I want to tell those who, having heard about the dollars, are rushing to conclude the first deals, that the government decree supplements the "statute on the certification and registration of enterprises for the right to export weapons and military equipment and to perform work and services for military purposes." Each point of this statute should be studied thoroughly by a future participant in the trade in arms and combat equipment to avoid any misunderstandings which could result in a criminal case.

Meanwhile let us report that the certification and registration are being carried out to assess the possibility of enterprises' foreign economic activity, to protect Russia's state interests, and also to create conditions for coordinating and monitoring enterprises' activity in the field of military-technical cooperation. The Russian Federation interdepartmental commission for military-technical cooperation with foreign countries is carrying out the certification at the request of the Russian Federation state committee for the defense sectors of industry.

And so the defense industry's path into international trade is open. I want to believe that even the pessimists' percentage for our participation in a highly profitable business will exceed the optimists' present indicator. But although the green light has been given you must remember that the journey is always full of surprises. You must know how to prepare for them.

Kolesnikov Questions Proliferation of Armed Formations

PM2405141994 Moscow KOMSOMOLSKAYA PRAVDA in Russian 24 May 94 p 1

[Unattributed report: "Why Does Russia Need 4 Million Men?"]

[Text] Colonel General Mikhail Kolesnikov, chief of the Russian Federation Armed Forces General Staff, stated at a closed session of the State Duma Defense Committee that "a multiplication of power structures is now going on in Russia." In fact over 4 million people (2.3 million in the Armed Forces) have been put "under arms" in the country.

Besides the Army and Internal Troops, Mobile Troops are being formed. The Ministry for Emergency Situations is planning to form its own navy. Military formations are being recreated within the Federal Counterintelligence Service system and in the Federal Government Communications Service. The president's Security Service is being expanded.

Kolesnikov said that Russia "is not in a position to maintain four armies." He stated that the Russian Federation Defense Ministry is ready, "should the government so decide," to transfer the Russian Federation Navy and part of the Airborne Forces to the Border Guard Troops' command in order to form mobile forces." According to Kolesnikov, because of insufficient resources, this is the fourth year that mobilization assemblies have not been carried out and all large-scale exercises have been scrapped (all that is left is command and staff map exercises).

Given normal financing, Kolesnikov said, we would be able to reduce the Army to 1.5 million men as early as this year.

Economic Issues

Central Bank Chief Cited on Access for Western Banks

MK2505091394 Moscow SEGODNYA in Russian 25 May 94 p 2

['SEGODNYA'-INTERFAX report under the "Money" rubric: "Council of Ministers Ponders Freezing of Ruble Rate While Central Bank of Russia Ponders Letting Western Banks Into the Country"]

[Text] The government of Russia is not working now to further sharply reduce inflation, which is already running as low as 8-9 percent a month; instead it intends primarily to ensure "stability" of the money market, Sergey Vasilyev, Russian Federation deputy minister of the economy, stated at the "New Aspects of Reforming Russia's Economy" congress which opened in Moscow on Tuesday.

The gradual forming of a fixed ruble rate (instead of the current floating one) could, to Sergey Vasilyev's mind, become one of the mechanisms to fight, among other things, the "dollarization" of the economy. It is this, Mr. Vasilyev stated, that makes it possible to strengthen Russia's national currency. Remarkably, the deputy minister of the economy pointed out, the formation of positive bank rates provides for the growth of ruble accumulations in the country right now.

In the meantime, Russian Central Bank Deputy Chairman Aleksandr Khandruyev stated yesterday that Russia could give foreign banks, as early as the beginning of this summer, a broader access to the country. Mr. Khandruyev thinks the country's banks are already strong enough to offer serious competition to Western banks. At the same time Mr. Khandruyev ventured a guess that foreign banks would respond "without any particular enthusiasm" to the decision to give them broader access to Russia.

It is also worthwhile mentioning in this connection that Russian Federation President Boris Yeltsin signed an edict back on 13 November 1993 that limited "temporarily, for the period till 1 January 1996," activities of foreign banks on the territory of Russia to servicing non-residents alone. However, even before the signing of this presidential edict, Russian Federation Central Bank licenses for banking operations were received, among others, by the Credit Lyonnais, the Bank of Australia, the Societe Generale-Vostok, the Bank of China, the BNP-Dresdner Bank, the Credit Suisse, CitiBank, and the Chase Manhattan Bank, which have in the meantime familiarized themselves sufficiently with the none-too-simple realities of a peculiar Russian market.

Bank Official Opposed to U.S.-Style Federal Reserve

LD2405153894 Moscow Ostankino Television First Channel Network in Russian 1400 GMT 24 May 94

[From the "Novosti" newscast]

[Text] Addressing a conference entitled "New Aspects of Reforming Russian Economy" in Moscow, Aleksandr Khandruyev, deputy chairman of the [Russian] Central Bank, vehemently opposed the transformation of the Russian Central Bank into a U.S.-style federal reserve system.

Such a system cannot be imposed on to Russian realities in its existing form, and neither can any other model, he stressed.

Shokhin Assesses Yeltsin's Recent Economic Legislation

LD2405215994 Moscow Mayak Radio Network in Russian 1510 GMT 24 May 94

[Report by Galina Shkurenko]

[Text] Aleksandr Shokhin, deputy chairman of the Russian Federation Government, held a news conference today regarding the package of presidential decrees relating to economic issues. They were published in today's newspaper. [Shkurenko] The vice prime minister told representatives of the press how these decrees were drawn. A week ago during a six-hour long conversation between the president and the head of the cabinet of ministers measures for stabilizing the economy and continuing reforms were examined. Then the government drew up a package of documents, which were discussed during Boris Yeltsin's meeting with managers and Viktor Chernomyrdin's meeting with representatives of enterprises, banking, and economic structures who were participating in the signing of the Public Accord Treaty.

At the present time draft decrees are being drawn up relating to regulation of the consumption fund, improving banking activity, on some issues regarding the regulation of the securities' market, protecting of consumers from dishonest advertising and on the sale of enterprises that are in debt. Regarding the latter it will probably be signed literally today or tomorrow.

Regarding the decrees that have already been signed by the President, Shokhin said the following:

[Shokhin] I would like to draw your attention to the fact that in this package of documents there are many openly liberal premises connected with reducing taxes. We were pursuing two aims simultaneously: to ease the tax burden while at the same time enforcing tax discipline more strictly. No one can dispute that this is a normal demand. As the enterprises begin to get out of this situation, if they want to obey the law, bearing in mind that the general policy of the government has been defined here as that of reducing taxes, either they want to test how firm the strict measures that are indicated in the decrees are, and the future will show, and the experience of many countries shows, that in conditions of sufficiently lenient taxes, they pay much better than they evade tax, and we will gradually move toward that. If enterprises will have many accounts and are failing to provide information that they are not registering their accounts at least, there can be no question of help for those enterprises from the budget, of centralized investments.

The problem of abolishing quotas is in actual fact the problem of stabilizing our export-orientated production facilities. That mechanism allows us to stabilize the situation in the oil and gas complex, metallurgy, cellulose, and paper production. Many clauses in the decrees that came out yesterday were already registered back in March, in particular. They were even submitted to the State Duma.

On the other hand, a certain critical mass is needed not only in the number of decrees, but also in the number of clauses contained in them to impart additional impulses to the reforms. The critical mass, it seems, is present in that package of decrees.

New Edicts Spell Economic Mini-Revolution

PM2405144394 Moscow IZVESTIYA in Russian 24 May 94 p 1

[Mikhail Berger article: "Chernomyrdin Government Has Prepared Small Economic Revolution"]

[Text] The Russian Government has prepared a package of documents (eight presidential edicts and one government decree), the signing of which could accomplish a small-scale revolution in the country's economy.

Viktor Chernomyrdin's government has probably decided to answer in one go the charges which have been repeatedly leveled against it throughout the 18 months of its existence.

The package of prepared edicts holds out the promise of a great revival in economic life, which some people have been patiently awaiting while others have been hitherto hoping to avoid.

Some of the drafts are relatively uncontroversial in nature, developing already known topics: a package of measures introducing taxes into the budget, measures to normalize settlements and tighten up payment discipline, and certain questions of tax policy. But the package also contains documents which are bound to produce certain upheavals. These include draft edicts "On the Sale of Debtor-Enterprises," "On the Reform of State Enterprises," and "On the Abolition of the Issuing of Quotas and Licenses for Supplies of Goods and Services for Export.

One of the edicts will enable a sigh of relief to be breathed by those frightened by the Labor Ministry's promises to limit wages in drastic fashion. The Labor Ministry was indulging in wishful thinking when it issued via news agencies last week its own version of measures to limit incomes. It in no way follows from the draft edict "On the Regulation of Resources Used for Consumption" that a wage in excess of 240,000 rubles [R] per month will be liable to draconian taxation, as the Labor Ministry proposes. And the idea that earnings of R400,000-700,000 per month are "out of this world" will remain the labor minister's personal opinion.

There was virtually only one restriction in the draft edict on this topic as it existed at the end of Sunday: An increase in the wages fund which exceeds the level of the growth in prices by more than 70 percent will be liable to a fine.

The edict "On Certain Questions of Taxation Policy" will prove even more agreeable to many people. Under this edict the government is required to make proposals on improving the tax system by 15 September. The areas of improvement are as follows: reducing the total number of taxes and reducing the level of profit tax and value-added tax [VAT] by 10-20 percent.

Foreign investors—provided, of course, they are bona fide investors—can obtain substantial concessions. Joint ventures registered since 1 January this year which have a foreign capital stake of at least 30 percent and investments of at least $10 million are exempt from all payment of profit tax into the federal budget for three years. During the fourth year of their existence they will pay one-quarter of the tax due, and in their fifth year one-half. But if a joint venture is wound up before it has been in existence six years it will have to repay all the concessions received to the federal budget.

By all accounts, the government intends to follow the route of drastically tightening up control over tax receipts rather than increasing tax rates. The draft of the relevant edict envisages the mandatory registration of all kinds of accounts (hard currency, deposit, loan accounts, and so forth) with the tax bodies. If, however, a bank does open an account for an enterprise without a certificate from the tax inspectorate, the bank chief will be fined 100 times the minimum wage.

If an enterprise goes three months without paying taxes a decision may be made to deem it insolvent.

And another pretty tough measure, affecting individuals this time too, is that banks must inform the tax bodies of all transactions exceeding $10,000.

But it is the edicts on the reform of state enterprises and the sale of enterprises in debt which could have the most serious consequences. The idea of the reform is to eliminate in practice such a socialist vestige as the "right of full economic authority." This right has allowed the directors of state enterprises to be in complete charge of state property while being in no way accountable.

The edict on the sale of debtor-enterprises confirms the statute on this procedure. The Federal Administration for Insolvency Affairs, the debtor-enterprise itself or its creditors, the prosecutor's office or the State Committee for the Management of State Property can act as the initiator of this procedure. Liability for bogus bankruptcy is laid down. Sales are effected purely on the basis of commercial bids without restriction on the makeup of the parties involved (including individuals and foreign buyers).

The package of documents also contains a statute on the criteria governing the provision of state financial assistance, which is constantly being demanded from the exchequer by many directors. The criteria and the terms for the provision of assistance are plain and clear. If events develop in a certain way, the question of declaring an enterprise bankrupt may be raised.

The issue of these edicts has so agitated the public that Aleksandr Livshits, leader of the president's group of experts, held a press conference on Monday, 23 May. He explained the reason for President Yeltsin's slip of the tongue when he described the economy as being "on the verge of collapse." Livshits observed that the economy is not suffering from any catastrophe—there is a problem of falling output. He also spoke about the package of edicts discussed in our article.

All the edicts come into force from the moment they are signed and will operate until the Duma passes the relevant laws.

Chernomyrdin Addresses Industrial Leaders

PM2405152194 Moscow ROSSIYSKIYE VESTI in Russian 24 May 94 p 1

[Unattributed report: "Viktor Chernomyrdin: 'Russia Has Its Own Way of Entering the Market.' Extract From Russian Premier's Speech at 20 May Meeting With Leaders of Industrial, Construction, and Transport Enterprises and Organizations"]

[Text] Today the root of all problems is the lack of specific mechanisms for economic regulation designed to stimulate vital market forces, create a competitive environment, overcome the sales crisis, and solve payment defaults. Marking time is akin to death now. We must make far more rapid progress to develop and fine-tune the necessary regulators in order to keep even what we have already achieved. That is the government's main cause for concern and anguish in the foreseeable future.

In this connection we have prepared a whole series of draft statutory documents—in the form of presidential edicts and government decrees—designed to bolster the priorities of the policy of accord that have been discussed today. They all stem directly from the president's instructions on tackling the urgent problems of economic reform.

To be brief, the purpose and substance of these instructions boils down to a single formula: Transformations of the Russian economy should be geared to the national manufacturer of goods and services, his interests must be protected, and his initiative given free rein.

The first set of measures that have been outlined concern the prompt and full payment into the budget of taxes and other mandatory payments, strengthening payment discipline in the national economy, and stepping up tax policy.

What am I talking about? Primarily that taxpayers' liability for observance of tax legislation is enhanced.

It is envisaged that they will provide tax organs without fail with regular information about their bank accounts and banks will report on enterprises opening accounts. This is to ensure fuller monitoring of enterprises' financial position and stop a number of widespread means of tax evasion.

A procedure will be established governing the mandatory use of enterprise funds in deposit and hard-currency accounts to meet commitments to budgets and other creditors and to pay wages. This will make it possible to considerably reduce the amount of payment defaults and speed up payment even if enterprises do not have money in their main accounts.

What is more, in order to ease tension in funding enterprises' priority needs, including wages, during a temporary shortage of cash, they will be granted the right to obtain funds from banks amounting to no more than 5 percent of average daily receipts in their settlement accounts.

In order to attract foreign investments it is intended to exempt enterprises with sizeable foreign investments from the payment of profit tax into the federal budget for three years. And over the subsequent two years the tax will be levied at a reduced rate.

We are also proposing to even out the terms of value added taxation [VAT] on Russian and imported goods and impose tough restrictions on the range of goods liable to VAT at a reduced rate.

The question of surmounting sizeable wage differentials that are not justified by real labor input and results is extremely topical and it is no exaggeration to say that it concerns everyone today. This problem has become highly social and sometimes takes on a political slant. I must say that the government is planning to submit draft legislative acts authorizing restrictions on the growth of funds used for consumption in respect of enterprises with high wage levels allowing for the rate of inflation.

I want to stress that the prohibitive measures will by no means apply to all enterprises. Those which are increasing production will receive definite concessions.

The Statute on the Procedure for the Sale of Debtor Enterprises that has been drafted considerably furthers the reform of state enterprises. This statute extends to all insolvent enterprises in state and municipal ownership.

I recently signed a government decree "On Certain Measures To Implement the Legislation on Insolvency (Bankruptcy) of Enterprises." It introduces criteria for deciding insolvency. The Federal Administration for Bankruptcy Cases is obliged prior to 1 July 1994 to begin producing a list of insolvent enterprises.

Now let me say a few words about what will be done in the foreign economic sphere. We are planning to considerably reduce export customs duties on goods that hold a leading place in the structure of Russian exports—oil and petroleum products, gas, electricity, aluminum, pulp—and to abolish export quotas and licenses.

No program, no matter how good, will work on its own. We have taken strict control of fulfilling the action plan to implement the first phase of the Government Program and the main provisions of the president's message to the Federal Assembly.

For all the malfunctions and mistakes, for all the attempts to hamper things, two years of reform have not been wasted. Russia can already be said to have its own way of entering the market and its own Russian model for development.

Official Says Removal of Oil Export Quotas Beneficial

LD2405144994 Moscow INTERFAX in English 1357 GMT 24 May 94

[Text] The removal of export quotas and licences so as to help readjust prices and duties on crude oil and oil products is to the benefit of oil producers, President of the Rosneft state company Aleksandr Putilov told INTERFAX.

He said Yeltsin's decree was prepared along with a government resolution to halve export duties from 30 to 15 ecus (or 5 to 2.5 dollars per barrel) per one tonne of crude. Duties on oil products must also be halved, Putilov said.

"If implemented, the resolution will help producers secure a more acceptable level of export prices and increase their foreign exchange revenues," he stressed.

Oil and gas experts say that the producers are keen to increase their share of oil exports to countries other than the republics of the former Soviet Union. Russia sells crude oil to other CIS states at a price of 65-70 dollars a tonne compared with the world's price of 110 dollars.

Rosneft experts believe that some of the losses that the producers will have to sustain from taxes on the exports of 25 million tonnes of crude on government orders can be offset by benefits arising from fixed duties and higher exports to the West.

Harvest Prospects 'Worse Than Last Year'

PM2505090994 Moscow IZVESTIYA in Russian 25 May 94 First Edition p 2

[Report by Yelena Yakovleva: "Harvest Prospects Worse Than Last Year"]

[Text] The most accurate "predictor" of last year's harvest, the "SovEkon" center, does not promise cheerful prospects this year. According to its figures Russia will harvest 80-85 million tonnes of grain.

For comparison's sake last year the country obtained 99 million tonnes of grain and the year before 107 million.

On what does "SovEkon" base its forecast? The area sown to winter crops has declined by 20 percent and about 2 million hectares (about 15 percent) of the winter crops that were sown have died. The sowing campaign began quite well but now the pace has been reduced, as is borne out by the weekly information. And if the sowing schedule is extended the harvesting schedule will also be pushed back.

"SovEkon" also keeps track of information about fuel and fertilizer stocks. As of 1 May stocks of fuel on the farms were 40 percent less than last year and half as much fertilizer and toxic chemicals were applied: The soil continues to be depleted.

It is true, as our correspondent Andrey Aderekhin has reported, that the Kuban grain fields this year will not be reduced. In the traditional grain regions they are working on the sowing responsibly and seriously and if necessary going out on night shifts, although it is a long time since anyone monitored anybody. The Kuban private farmers have prepared seeds and equipment in advance. And already the most acute question is not "how to sow and how to harvest?" but "how to sell most advantageously?"

Almost everyone is planning a lower yield. But many grain stocks remain in the country from last year's harvest—approximately 18 million tonnes. Every month about 2.8 million tonnes are spent. We are thus provided with "old" grain on average for six months and for some types through to the next sowing campaign.

Apart from the Far East and Siberian regions, to which it is cheaper to deliver imported grain than our own because of the huge distance it has to travel, Russia will nonetheless manage with its own grain this year—that is the stance of Vice Prime Minister Aleksandr Zaveryukha and Agriculture Minister Viktor Khlystun. In principle these calculations are convincing, but ultimately it will all depend on the structure of our stocks: Those 18 million tonnes of grain could contain, for instance, an insufficient quantity of food grain or corn.

Military Issues

Report on Russian Peacekeepers Helping Repay UN Debt Denied

MK2505081894 Moscow SEGODNYA in Russian, 25 May 94, p 2

[Report by Vladimir Abarinov under the "Details" rubric: "Export of Peacekeepers Does Not Earn Profit. General Podkolzin Relies on False Information"]

[Text] When SEGODNYA published in its 19 May issue a statement by General Podkolzin, commander of the Airborne Troops, that Russian peacekeepers in the former Yugoslavia have helped slash Russia's debt to the United Nations from $1.5 billion to $200 million, it expressed its doubt as to whether the information was relliable. Now we have full justification for calling it false.

According to our information, Russia's debt to the UN Fund of Peacekeeping Operations stands at around $550 million. In the past two years (the period to which Yevgeniy Podkolzin referred), not only has the debt failed to shrink, but it has even grown. Payments due to Russian servicemen for participation in UN operations do not count toward debt payment. The Russian paratroopers receive from the UN fund just as much as servicemen of other countries—around $1,000 per person per month. The rest is paid by the countries that have sent their contingents. Alas, the Russian Government does not pay any extra money—hence a significant gap in wages.

Therefore, the "export" of peacekeepers does not bring Russia any earnings. Nor does it have any bearing on the Russian contribution to the UN Peacekeeping Fund—this is another sum of money and another debt.

Yeltsin Signs Law Concerning Military Badges, Rank

LD2405191194 Moscow ITAR-TASS World Service in Russian 1405 GMT 24 May 94

[Text] Moscow, 24 May—Russian President Yeltsin has signed a decree "on the military uniform and badges of military rank."

With this document, in accordance with Article 38 of the Russian Federation law "On Military Duty and Military Service," Yeltsin has confirmed the uniform and badges of rank of servicemen of the armed forces of the Russian Federation and other troops, organs of external intelligence, counterintelligence, the chief directorate for protection and the security service of the president.

ITAR-TASS has been told by the president's press service that the Russian Government has also been instructed to confirm within three months regulations governing the provision of soldier's supplies and standard quantities for the supply of items.

Yeltsin decreed that the corresponding decrees of the Presidium of the USSR Supreme Soviet, concerning servicemen's badges of rank, be considered inoperative.

General Urges Priority Be Given To Social Aspects in Army

LD2505103194 Moscow ITAR-TASS in English 0818 GMT 25 May 94

[Report by ITAR-TASS correspondent Anatoliy Yurkin]

[Text] Moscow 25 May TASS—"Social aspects have become decisive in the formation of the Russian Armed Forces," said Major-General Vladimir Osadchy, one of head officials of the main department for military budget and financing of the Russian Defence Ministry. In an interview with ITAR-TASS Osadchy said that funds allocated at present to the defence industry automatically put servicemen in an unequal social position. The military budget has been scheduled so that at least half of servicemen will not be given pay in at the time envisaged by law. Two or three months of existence without pay will enviably worsen the situation among the military personnel and in military garrisons, Osadchy said.

In his opinion, parliamentary hearings on social aspects of the military reform scheduled in the State Duma on Wednesday [25 May] will help clarify the situation. The Defence Ministry does not claim privileges in financing, taking into account budgetary difficulties faced by the country. However, it is inadmissible that electricity, fuel and food supplies be stopped to garrisons and military canteens because of the lack of funds, Osdachy said. The Defence Ministry must pay both for military hardware and ammunition, while there are no funds to do so," Osadchy said.

The Duma committee for defence has repeatedly brought up the subject of defence financing. However, constructive and competent resolutions adopted by the committee do not always meet the support of lawmakers, Osadchy said, adding that some lawmakers use debates on the military budget for purposes which have nothing to do with Russia's national interests.

Federal Assembly

Duma for Increasing Defense Spending

LD2505091594 Moscow ITAR-TASS World Service in Russian 0825 GMT 25 May 94

[Text] Moscow, 25 May (Business-TASS)— The State Duma committee on economic policy has spoken in favor of increasing Russia's military expenditure in 1994 to up to 55 trillion rubles, thus supporting the Duma's defense committee on this. If the State Duma were to approve this initiative during the debates of the budget in its second reading, the overall increase for national defense would exceed the original sum by 17.9 trillion rubles. The proposal to increase Russia's military expenditure to up to 55 trillion rubles was supported by Russian President Boris Yeltsin.

Zhirinovsky Faction Returns to State Duma

LD2505091094 Moscow ITAR-TASS in English 0834 GMT 25 May 94

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[Text] Moscow May 25 TASS—The Liberal-Democratic Party faction today returned to the hall of the State Duma (lower chamber of the Russian parliament) from which it demonstratively walked out last Friday. However, its members refused to register or to take part in the voting.

Party leader Vladimir Zhirinovskiy told the Duma that no measures against the "Podrobnosty" (Details) programme of the Russian TV, on which the faction insisted, were taken so far. "Therefore, the faction refuses to take part in the Duma's work until it shows who wields the power in the country," Zhirinovskiy said.

Addressing Ivan Rybkin, who chaired the session, Zhirinovskiy stated: "Either you will show that there is a parliament in Russia or you will see that a part of it is already gone, that you have already lost it".

Rybkin stressed, in turn, that the parliament would like to base its relations with the mass media on the existing laws. Recalling about the resolution of the Duma council, addressed to the leader of the Russian TV company Oleg Poptsov, he said that the State Duma had not received any official answer to the resolution. Rybkin said that the Duma legal department had contacted the court for informational disputes under the Russian president and its chairman Anatoliy Vengerov, who explained that the collision, caused by journalist Nikolay Svanidze's pronouncements, was within the competence of the court. Rybkin moved to settle it by legal means. He urged the Liberal-Democratic faction to take part in the work of the chamber even though the conflict with the mass media was not settled yet.

Duma Investigates Votes Approving New Constitution

LD2505103994 Moscow ITAR-TASS World Service in Russian 0829 GMT 25 May 94

[By ITAR-TASS correspondent Pavel Kuznetsov]

[Text] Moscow, 25 May—The State Duma has today instructed the Credentials Commission of the Duma to verify the authenticity of reports in some of the mass media saying that a number of electoral associations that now have factions represented in the Duma used funds for their election campaign, which were received from abroad. In addition, the Credentials Commission of the State Duma has been instructed to elucidate whether there is any truth in reports saying that not enough of the electorate voted for the adoption of the new Russian Constitution. The commission must provide its response to these issues in two weeks.

Duma Says Regional Codes Must Be Adjusted to Constitution

MK2505092294 Moscow SEGODNYA in Russian 25 May 94 p 2

[Yelena Tregubova report in the "Regions" column: "The Duma Is Only Content with the 'Steppe Code.' Sergey Shakhray Is Sure: the Russian Federation Constitution Is Not a Bronze Monument"]

[Text] Opening parliamentary hearings on the issue of compatibility of the constitutions of the republics and the charters of the territories as part of the Russian Federation, Vladimir Lysenko called on the few participants to look at the experience of China which, according to him, "has created a liberal market economy, preserved a communist ideology and thereby ensured the country's integrity." The thrust of Mr. Lysenko's complaints against the republican constitutions was that some of them enshrine what he sees as excessive independence. An ideal regional constitution, "which draws virtually no criticisms at all," is, in Mr. Lysenko's view, Kalmykia's Steppe Code [Stepnoye ulozheniye] (Kirsan Ilyumshinov even proposed that his republic be equated to a governorate). A deputy from Tataria, Mr. Lazovoy, objected to this: "If there are so many constitutions which contradict the Russian Constitution, is it not easier to change it then?"

Federal Council Committee Chairman Vasiliy Tarasenko sharply disagreed with "the introduction of a treaty-based system" in relations between the center and the regions. Bilateral agreements between Moscow and individual republics, in his opinion, create "a legal system that runs parallel with the constitution." The senator complained: The economically stronger krays and oblasts "are justly annoyed by the fact that the republics are in a privileged position."

The sole "high guest" at the hearings—Sergey Shakhray—on the other hand advocated wide dissemination of "Tataria's experience." According to him, the contradictions between the republics' constitutions and the federal Fundamental Law must be adjusted through bilateral treaties. In parting, Mr. Shakhray said that the Russian Constitution itself "is not a bronze monument either..."

Representatives of approximately 20 regions took part in the hearings, mainly of rank no higher than deputy chairmen, deputy chiefs, or advisers.

Regional Affairs

Tatar Premier Confident of 'Stabilization'

PM2405113794 Moscow ROSSIYSKAYA GAZETA in Russian 24 May 94 First Edition p 6

[Interview with Mukhammat Sabirov, prime minister of Tatarstan, by Zhanna Khidiatullina; date, place not given: "We Must Find Our Own Path"]

[Text] At their 19th session the deputies of the Tatarstan Supreme Soviet approved the republic budget on condition that a program to get the economy out of crisis is presented for their consideration before 30 May. A TATAR-INFORM correspondent asked Tatarstan Prime Minister Mukhammat Sabirov to say what the government is doing in this brief period to prepare for an extraordinary Supreme Soviet session to discuss the document that will determine the future course of the republic's economic development.

[Khidiatullina] The Republic of Tatarstan Cabinet of Ministers is working on an anticrisis program. Is the economic situation that dire?

[Sabirov] We have probably not chosen the most felicitous terms. I would not say that our economy is in a stage of crisis. Of course, many enterprises are close to it, but a number of sectors are developing perfectly well. Although the situation has been getting increasingly serious month by month since the beginning of 1994.

It must not be forgotten that the integration of the Tatarstan economy in the Russian economy is so great that we are bound to be affected by all its fluctuations. We only have the power to influence the acuteness of the problem of defaulting on payment and the speed at which it develops. I am referring above all to the situation that has developed over reciprocal default. Since last year Republic of Tatarstan President M. Shaymiyev and members of the Tatarstan Cabinet of Ministers have been trying to persuade the Russian leadership to opt for reciprocal settlement.

No way would you call it a market measure, of course. But Moscow could not come up with any other solution either. And in the meantime everyone has fallen into debt. Even those who were producng continuously and selling products. The "Tatneft" association was forced to dismiss people or send them on administrative leave, because it had no money to pay them. This enormous enterprise is unable to get the 400 billion rubles [R] it has earned. Reciprocal debt between enterprises in Tatarstan and Russia now totals approximately R2 trillion.

Many people are asking banks for credit. You are well aware of the interest rates—21 percent and more. They double if payment dates are not met. Naturally, enterprises include these payments in the cost price—a familiar chain of events! Some organizations and small plants are now being refused credit (the banks also fear for their money) and they, having spent their circulating capital, are beginning to "eat into" their fixed capital.

We are able to support only the firms that are producing products essential to the republic. We will do this irrespective of the form of ownership of the enterprise. Some of them will be declared bankrupt. What can you do? Tatarstan cannot solve this problem alone, of course. Particularly where plants of the former military-industrial complex are concerned. It is great, of course, that we are now producing practically no weapons at all, but the vast machine tools that used to produce aircraft wings or warship hulls are not ready to produce irons or washing machines.

But we can do something. The construction of a tanker fleet will provide long-term orders for the plant named for Gorkiy in Zelenodolsk, helicopters made by our specialist company are still in demand, and the Kazan Aircraft Plant has called to say that a Russian Federation government decree had placed orders for the new Tu-330 cargo aircraft, which can carry 20-30 tonnes.

But enterprises such as the Lenin Science and Production Association, try as they may to keep their heads above water by producing linoleum or artificial leather, cannot resolve the problems of conversion. Russia needs to start meetings its commitments as set out in the treaty and the intergovernmental agreements. But, despite all our efforts, we have not yet been able to secure the necessary measures.

[Khidiatullina] So Tatarstan needs a practical program to solve its problems?

[Sabirov] Absolutely. But everything must be done to gear this program to the future. Only a madman would dream of a return to the past. We have not seriously attempted to consider what the economic system in our country is going to look like. Although for a year now the Cabinet of Ministers has been working on "Basic Guidelines for the Economic and Social Development of the Republic of Tatarstan in Accordance With the new Republic of Tatarstan Constitution." Academics and practical experts have been involved in this work. The draft is now ready. It is being examined by foreign experts. Together with the Republic of Tatarstan Constitution, the treaty between Russia and Tatarstan, and the government program it will form the basis of the program currently being devised to stabilize the Republic of Tatarstan economy. The main aim is to ensure that any turn of events has as little effect as possible on our people.

We are considering the economic situation in many countries and are copying the positive experience of Germany, Hungary, and Turkey. But none of these states has specific solutions to offer. For example, Turkish private enterprises are doing a fine job and their products are competitive. But we cannot help being worried by the rate of inflation and the appearance of large numbers of impoverished people there. That is not for us. We must plow our own furrow.

[Khidiatullina] How is work on the document that is to be submitted for discussion by the Tatarstan Supreme Soviet deputies proceeding in practice?

[Sabirov] All ministries and departments are now engaged in elaborating their own proposals. Every five days the members of the government meet to discuss progress in implementing this important task. We were prepared to examine several alternative versions. When we began to listen to the ministers' and vice premiers' proposals we realized that there was no sharp disagreement. Basically, everyone recognized an identical objective. Differences arose when the tactics for attaining it were discussed.

The program will include a number of practical measures. Moreover, we are working on a mechanism for implementing it—normative acts, draft laws, draft edicts. Adopting another declaration would be a waste of time. It is conceivable that the Supreme Soviet could grant the president special powers for the period of the document's implementation, whereby his edicts would have the force of law. Without this, rapid decisions and vigorous measures are impossible.

[Khidiatullina] Will you be able to complete all the work by 30 May?

[Sabirov] Had the Cabinet of Ministers not been working on the problem for, I repeat, nearly a year, it would have been impossible to do so in such a hurry, in a matter of days. But I am confident now that on 30 May the deputies will start discussing the program for the stabilization of the Tatarstan economy.

Dudayev Suggests 'United Front' with Terek Cossacks

PM2405155394 Moscow ROSSIYSKAYA GAZETA in Russian 24 May 94 First Edition p 1

[Unattributed item from roundup of ROSSIYSKAYA GAZETA, ITAR-TASS reports under the "Yesterday, Today, and Tomorrow" rubric: "Are Chechens To Make Friends with Cossacks?"]

[Text] President of the Chechen Republic Dzhokhar Dudayev has proposed to the Terek Cossacks that both cooperate for the sake of peace and order in the Caucasus.

At his latest meeting with Terek Cossack Hetman Vasiliy Starodubtsev in Groznyy, he stated that there have not been and there still are no real conflicts between Chechens and Cossacks and they could definitely present a united front to resolve the majority of their problems. Representatives of the Terek Cossacks invited the Chechen president to their Great Assembly which will take place in the city of Kizlyar 28 May.

Report on Dudayev's Creation of Chechnya's Armed Forces

LD2405165294 Moscow NTV in Russian 1500 GMT 24 May 94

[Text] In spite of what the skeptics said, Chechen President Dzhokhar Dudayev has nevertheless succeeded in creating his own armed forces. This was clearly shown by the latest military parade in Groznyy, where military units were presented with banners and demonstrated their own uniforms. Two years ago when the rebellious general announced universal mobilization, many people, including people in Chechnya itself, viewed it as a children's game, forgetting that the Chechen president had excellent military training. Today Dudayev, apart from his National Guard, has several regiments, including an air squadron.

Chechen cadre officers who have returned to the republic after being demobilized from Russian and CIS Armed Forces are being utilized in the Army. Despite the critical lack of cash in Chechnya and the lack of its' own currency, Dudayev nevertheless does not begrudge money for the Army or its weaponry. As the president himself said at a recent news conference, the world is too cruel and recognizes only strength. To all appearances he shares the dream of creating a strong Chechen state with its' own army. In one way or another the existence of the Chechen Armed Forces is already a fact. This fact will almost certainly be used by Dudayev at the possible coming talks with Russia. [video shows military parade in progress]

Yeltsin Appoints Gladskiy Acting Head of Krasnodar Kray

LD2405152494 Moscow ITAR-TASS World Service in Russian 1412 GMT 24 May 94

[By ITAR-TASS]

[Text] Moscow, 24 May—Following a representation by the chairman of the Russian Federation Government, Boris Yeltsin issued a decree today appointing Viktor Gladskiy to the post of acting head of the administration of Krasnodar Kray. This has been reported by the Russian Federation president's press service.

Stavropol Kray Election Campaign, Results Analyzed

PM2505101594 Moscow ROSSIYSKAYA GAZETA in Russian 24 May 94 First Edition p 2

[Article by Professor Valeriy Korobeynikov, academician of the International Academy of Computerization: "Don't Take Offense at the Voter. He Is Always Right"]

[Text] How difficult is Russia finding it to become a democratic state! This is what comes to mind when analyzing the results of the elections to the local representative organs of power. Failure by the bulk of citizens to appear at the polling places, fairly frequent violations of electoral rights, and flaws in the mechanisms for collaboration between the various participants in the electoral process—all this was not the exception but the rule.

It is expedient to explore two routes simultaneously in the quest for solutions to the problems which have arisen—elaborating an integrated concept of the Russian electoral system and analyzing constructively the practical experience gained so far.

Unfortunately, the new Russian Constitution does not contain a chapter on the electoral system which is traditionally in a country's Fundamental Law. Constitutional norms concerning elections are scattered among other chapters. This weakness is to some extent compensated for by the presidential edict "On Measures To Improve the Electoral System in the Russian Federation." But even this document needs to be further developed. A number of laws need to be elaborated and adopted, such as a law on electing the president and deputies to the State Duma, a law on referendums, and so on.

In order to improve the electoral system in Russia, it is important to thoroughly consider both the negative and the positive aspects of its practice. Quite a bit has already been written about the negative aspects. I would like to concentrate on the positive.

Let us take Stavropol Kray as an example. The results of the voting speak for themselves. Some 39.76 percent of the voters voted for candidates for deputies to the Stavropol Kray State Duma in all the 25 electoral districts. The region's new legislative organ was formed at the first attempt.

It cannot be said that the election campaign in Stavropol Kray went off without any conflicts. On the contrary, there were, for example, some tense moments over the kray duma's numerical composition, the electoral districts' boundaries, and the statute on the elections. In short, the degree of conflict was fairly high. The voters' attitude during the run-up to the elections was also typical of many of the country's regions. Interest in the elections was lower than average. But nevertheless, the negative aspects did not influence the final result. Why?

This can, in my view, be attributed first and foremost to the flexible and active stance of the local executive branch of power. The organizational measures for preparing and conducting the elections were distinguished by their lack of orthodoxy.

Representatives of the executive organs of power also made a contribution to boosting the voters' activeness. On the eve of the elections, STAVROPOLSKAYA PRAVDA published an appeal by Kray Administration Head Yevgeniy Kuznetsov to the voters. Calling on citizens to come to the polling places, the administration head appealed not only to their civic consciences but also to their sense of thrift. After all, many millions of rubles had been spent on organizing the elections in the kray, as, incidentally, has been the case in other regions. The people should know how to dispose of their property prudently.

Last but not least. Let us recall the days of voting in pre-perestroyka times. For all their fundamental faults (lack of choice, mandatory participation, and so on), their form was attractive.

There is nothing to be ashamed about here. What is more, the Russian electoral system will become genuinely democratic precisely at the moment when elections become a responsible demonstration of civic-mindedness, a real festival of people's power.

Third Serious Fire This Year at Pacific Fleet

MK2405120394 Moscow KOMMERSANT-DAILY in Russian 24 May 94 p 14

[Aleksandr Maltsev report in the "Another Fire at Pacific Fleet Depots" column: "This Time Cannon Grease Set Alight"]

[Text] On Monday at approximately midday Moscow time another fire broke out at Pacific Fleet depots in Vladivostok. This is the third serious fire at the Black Sea Fleet in the past year and the second in the last 10 days. This time the fire occurred at a fuel and lubricant depot located in the city center near the city's oil tanks. It was only thanks to prompt action by firemen that the fire did not spread to the oil tanks. The scale of the damage and causes of the fire are being established.

As firemen told KOMMERSANT-DAILY, a report about a fire at a military depot located 150 meters from the city's oil tanks came in at the central control point of the Vladivostok Fire Security Department. According to the firemen, non-disposable fuel and lubricants were stored at the depot: cannon grease, machine oil, and other types. Ivan Kopot, deputy chief of the Fire Safety Department, said that the Vladivostok oil tanks are a transshipment point for fuel deliveries to the entire Maritime Kray and are also used for filling vessels, including oil tankers.

The fire was rated at three on the scale of difficulty (out of five). Ten fire engines and a fire train were sent to the area. The work was complicated by the fact that water in the hydrants on the storage premises was so polluted that the fire engine hoses were repeatedly blocked. However within an hour the seat of the fire was localized and soon it was extinguished completely.

It is noteworthy that the two previous large fires at the Pacific Fleet depots cost fleet commanders Gennadiy Khvatov and Georgiy Gurinov their posts.

Defense Ministry Denies Fire at Pacific Fleet Storage

LD2405180094 Moscow ITAR-TASS in English 1704 GMT 24 May 94

[By ITAR-TASS correspondent]

[Text] Moscow May 24 TASS—The Russian Ministry of Defence refuted today reports claiming fire at the Pacific Fleet's storage of combustibles and lubricants on May 23.

According to the ministry's Press and Information Department, the fire broke out at a civilian oil storage, which has nothing to do with the fleet.

First Shipment of Nuclear Fuel Waste Leaves Arkhangelsk

LD2405192694 Moscow Ostankino Television First Channel Network in Russian 1700 GMT 24 May 94

[By Yan Berling in Severomorsk; from the "Novosti" newscast]

[Text] The first trainload of the nuclear fuel waste has left the Sogagorka railway junction in Arkhangelsk at 0200 today. For almost three years now the nuclear reactor rods have been deposited at the SevMash [Severodvinsk Machine-building] enterprise in Severodvinsk at which redundant nuclear submarines are being dismantled. Nearly 40 submarines are waiting today for their nuclear fuel waste to be disposed.

For the past three years Severodvinsk has been under a threat of ecological catastrophe. A slightest error in handling nuclear fuel could lead to irreversible consequences. The volume of radioactive waste exceeded all accepted norms.

The reasons for this pileup was the fact that previously nuclear waste was shipped by sea to a place near Murmansk where it was loaded onto railway cars and transported to Chelyabinsk-65 for disposal. This was too expensive and the North Fleet command suggested the waste should be transported directly from Severodvinsk and Archangelsk. The State ecological expert commission was examining this proposal for several years, which resulted in a pileup of nuclear waste waiting to be transported.

Nevertheless, the first trainload has now been dispatched. The railway lines had to be repaired urgently for this occasion. The safety of the load was ensured by introduction of new specially designed containers. [Video shows train with special containers]

Nuclear Plant Workers Picket Leningrad Administration

MK2405104594 Moscow SEGODNYA in Russian, 24 May 94, p 2

[Aleksandr Pozdnyakov report from St. Petersburg under the "Atom" rubric: "'A Hungry Operator Means the Threat That Chernobyl Could Recur.' Leningrad Nuclear Plant Workers Picket Oblast Administration Seat"]

[Text] Workers of the Leningrad Nuclear Power Plant (LNPP), wearing working uniform—white overalls, special caps, and foot gear—are picketing the building of the Leningrad Oblast Administration and the Leningrad Electric Power Department. The picketers demand that wages be paid to LNPP workers that have not been forthcoming since February. Although Leningrad Oblast governor Aleksandr Belyakov has promised to discuss the problem with Prime Minister Viktor Chernomyrdin, the financial situation of the Leningrad nuclear power plant workers has not changed.

According to Aleksandr Yeperin, LNPP general director, the power plant has been plunged into very severe financial straits by the intervention of the Russian government, which has prohibited the nuclear power plant from imposing financial sanctions on its debtors; hence, the LNPP often has to supply customers with electricity virtually for free. Despite the possibility of signing a contract for delivering electricity from Sosnovyy Bor to Finland—to be paid in hard currency—this is unlikely substantially to ease the LNPP's financial plight, because the plant management has to make regular payments for nuclear fuel (earlier the plant had a one-year reserve, but this has now been used up).

For the time being, the plant management is not going to take extreme measures and spend the money earmarked for fuel purchases on workers' wages, because a shutdown of the plant's reactor could become the first step toward a general power crisis in Russia.

Plant workers themselves, who took to the street to picket administration buildings, think that the government should drastically change its policy with regard to the nuclear power industry. They believe that the shortage of money in the industry could bring about not only a power crunch, but also even more serious consequences.

Nonpayments Threaten Building of Nuclear-Powered Ships

PM2405133194 Moscow TRUD in Russian 24 May 94 p 7

[Report by Fedor Yemchenko: "Nuclear-Powered Ship Ural Is Sinking in Dock"]

[Text] Another group of specialists is coming to Moscow to "extract" money from the state budget. This time the attack has been made by representatives of the shipbuilding sector, to be precise the "Baltiyskiy Zavod" from St. Petersburg.

The day before the plant trade union committee sent a telegram to Premier V. Chernomyrdin which said: "Your instructions to extinguish debts for work carried out on the construction of the nuclear-powered icebreaker Ural over 1993 and the first quarter of this year are being ignored by the ministries of finances and transport. The government's inaction is making it impossible to continue the building of two nuclear-powered ships—the icebreaker Ural and the cruiser Petr Velikiy. If your promises and directives are not binding for ministers, then it is time you retired."

"The situation at the plant is critical," says trade union committee chairman Vyacheslav Firyulin. "The halting of the building of these ships will not only affect our collective. The state will also incur enormous losses."

Of course, the "Baltiyskiy Zavod" collective's recommendation is not compulsory for the head of government. But it is scarcely sensible to dismiss SOS signals.

International Affairs

Crimean President Views Relations With Kiev, Russia

AU2405153294 Munich FOCUS in German 21 May 94 p 221

[Interview with Crimean President Yuriy Meshkov by an unidentified correspondent; place and date not given: "Not in Control of the Situation"]

[Text] [FOCUS] You are calling for stronger links between the Crimea and Russia. Is that not a provocation vis-a-vis Kiev?

[Meshkov] We are currently witnessing how the Ukrainian Government is trying to fan the conflict. The present leadership in Kiev is trying to hold on to power somehow. However, it lacks social support and is no longer in control of the situation. That is because its policies have failed in almost every respect. This particularly applies to the economy, and the situation is all the worse because a people that inhabits a state with enormous potential has been condemned to vegetate in poverty.

[FOCUS] Your movement is accused of Russian nationalism, separatism, and even political adventurism....

[Meshkov] On the contrary, the aim of our policies is to protect the Crimea from nationalist excesses.

[FOCUS] But the Crimean Tartars are afraid of your flirting with Moscow. How do you want to solve the Tartar question?

[Meshkov] Crimean citizens of Tartar nationality were treated unjustly, and that has to be put right. Unfortunately, the Crimean Republic is not in a position to bear the financial cost of a just solution. However, I would like to stress that the present difficulties do not bear nationalist hallmarks.

[FOCUS] President Kravchuk has not allowed you to change the security minister and the minister of internal affairs. Your power has thus been somewhat curtailed.

[Meshkov] That illustrates the kind of conditions we are working under here. The Crimean security service should work to protect the Crimean Republic even if it is considered part of Ukraine. However, I have not even received a fraction of the information that it sends to Kiev. That is why I had to appoint a new minister. Kiev's machinations aimed at preventing that move must be considered very disturbing.

[FOCUS] The defense ministers of Ukraine and Russia do not want you to take part in negotiations on the Black Sea Fleet. Did you feel snubbed?

[Meshkov] Even if a president is ignored, the people that elected him will not allow itself to be ignored.

Kravchuk Accuses Yeltsin of Violating International Law

AU2405145594 Paris AFP in English 1419 GMT 24 May 94

[Text] Kiev, 24 May (AFP)—Ukrainian President Leonid Kravchuk accused Russian President Boris Yeltsin Tuesday [24 May] of violating international law by intervening in the political crisis between Ukraine and its separatist republic of Crimea.

"The Russian president may warn his own institutions but not the president of another state," Kravchuk told a group of World War II veterans he was meeting with.

Yeltsin last Friday called on Ukraine not to use force in responding to Crimea's decision to restore a 1992 constitution which grants the predominantly Russian-populated republic on the Black Sea greater autonomy from Kiev.

Yeltsin also said that neither Ukraine nor Russia should intervene in Crimea.

Kravchuk also wondered out loud before his audience Tuesday whether recent comments by Sergei Filatov, Yeltsin's chief of staff, represented "the position of the Russian state."

Filatov implicitly criticized Kravchuk on Monday by denouncing "those irresponsible politicians seeking to take advantage of the situation (in Crimea) in order to delay presidential elections" scheduled June 26 in Ukraine.

Kravchuk stressed that the Crimean issue must not become a source of discord between Ukraine and Russia.

He said that as long as Crimean leaders did not recognize that the autonomous republic was "an integral part of Ukraine" there was no room for compromise on the issue.

The Ukrainian parliament has declared the Crimean independence move "illegal" and has given the local legislature up until Monday to reverse its decision.

Kravchuk To Sign EU Partnership Accord in June

AU2405131694 Paris AFP in English 1239 GMT 24 May 94

[Text] Kiev, 24 May (AFP)—Ukrainian President Leonid Kravchuk will travel to Luxembourg next month to sign a partnership and cooperation agreement with the European Union, deputy foreign minister Alexander Makarenko said Tuesday [24 May].

Makarenko told AFP that Kravchuk would visit Luxembourg on 12-14 June.

The Foreign Ministry official said that British Foreign Secretary Douglas Hurd, currently visiting Kiev, told him that Ukraine's closer ties with the EU would "create a different political climate."

Hurd said that member-states of the EU would guarantee the territorial integrity and sovereignty of Ukraine, Makarenko said.

Ukraine, Russian Officials Vow To Respect Borders

AU2405114294 Kiev HOLOS UKRAYINY in Ukrainian 20 May 94 p 10

[Unattributed report: "A Statement at the Ukrainian-Russian Border"]

[Text] Representatives of the command of Ukrainian and the Russian Federation's troops, Customs services of the two states, leadership of the ministries of internal affairs, and state administrations of Kharkiv and Belgorod oblasts met with journalists at the Ukrainian-Russian border. As is known, after signing the memorandum on border cooperation between Ukraine and Russia, some mass media disseminated a "sensation" on the renewal of the system of single borders of the CIS countries. It was stressed at the news conference that Ukraine and the Russian Federation are building their relations on the principles of friendship and good-neighborly relations and do not intend to violate the sovereign rights of the close neighbor. Each side strives to respect each other's state attributes, including state borders.

Hurd Meets Zlenko, Says Britain Supports Ukraine's Borders

LD2405155594 Moscow ITAR-TASS World Service in Russian 1448 GMT 24 May 94

[Report by ITAR-TASS diplomatic correspondent Vitaliy Makarchev and UKRINFORM correspondent Aleksey Trotsenko]

[Text] Kiev, 24 May—The domestic political situation in the Ukraine and a number of international problems of interest to both sides were at the center of attention during talks that took place here today between the Ukrainian and British foreign ministers. Douglas Hurd, head of the British Foreign Office, is in Kiev on a one-day official visit.

Ukrainian Foreign Minister Anatoliy Zlenko described the atmosphere at the meeting as constructive and open. Answering a question about the situation in the Crimea following the adoption of a new constitution by the Crimean parliament, he said his position on this has been set out in a letter to the UN secretary general. The decision of the Crimean parliament is illegal and contradicts the Ukrainian Constitution, Zlenko stressed.

For his own part, Hurd said Great Britain supports the Ukraine's integrity and sovereignty of its present borders and he hopes the dispute between Kiev and the Simferopol authorities will be resolved "by peaceful means and without the use of force." The British minister said he discussed this problem with Russian leaders in Moscow this morning. He said Russian President Boris Yeltsin and Prime Minister Viktor Chernomyrdin hold a similar point of view and consider that the problem must be resolved without the use of force.

Hurd also hopes bilateral relations between Ukraine and the European Union and NATO will develop successfully.

British Foreign Secretary Assured of Commitment to Peace

LD2405154894 Kiev UNIAR in Ukrainian 1445 GMT 24 May 94

[Text] Kiev, 24 May—Douglas Hurd, British secretary of state for foreign affairs, arrived in Ukraine on an official one-day visit. The guest met with Anatoliy Zlenko, Ukraine's minister of foreign affairs, President Leonid Kravchuk, and other state leaders. "To us Ukraine is a very important European state," Mr. Hurd told journalists at Borispol Airport.

Asked what national security guarantees Britain can provide to Ukraine, Mr. Hurd said: "The fact that Ukraine has joined NATO's Partnership for Peace program is your security guarantee."

The foreign ministers of Ukraine and Great Britain met and held talks at Ukraine's Ministry of Foreign Affairs. Speaking to journalists, Anatoliy Zlenko said: "During our one-on-one conversation we discussed opportunities for strengthening our bilateral ties, focusing on issues facing the European Community today. In particular, these issues concern the international conference on the Pact of Stability in Europe [as received] to be held in Paris, Ukraine's steps toward membership in the European Union, and issues of primary importance for the development of economic cooperation."

Anatoliy Zlenko expressed his satisfaction with Mr. Hurd's visit to Kiev. "I am pleased to note," the Ukrainian minister said, "that our relations are good enough to allow us to be frank in our conversations."

Speaking of the possibility of international organizations (UN and CSCE) influencing settlement of the "Crimean problem," Mr. Hurd said that these issues will be studied, but he believes Ukraine is capable of solving the problem itself.

During the meeting between President Leonid Kravchuk and Douglas Hurd, the president said: "We are not demanding anything special from Crimea. We are only demanding adherence to the Ukrainian Constitution. Ukraine will under no circumstances use force to solve the 'Crimean problem': All issues must be resolved only through negotiations."

Zlenko Seeks International 'Response' to Crimean Issue

WS2505080994 Kiev Ukrayinske Radio First Program Network in Ukrainian 1800 GMT 24 May 94

[Text] Speaking to reporters after talks with British Foreign Minister Hurd, Ukrainian Foreign Minister Zlenko stressed that the Crimean legislature's decision to introduce changes to the Ukrainian Constitution is in violation of the constitution. Zlenko added: We would like to draw the international community's attention to this issue, and we would like to hear this community's response regarding our domestic problems—Ukraine's territorial integrity, sovereignty, and independence.

President's Press Service on Russian 'Rowdy Campaign'

LD2405212394 Kiev UT-1 Television Network in Ukrainian 1800 GMT 24 May 94

[Text] The press service of Ukraine's president and cabinet of ministers has issued a statement saying that high-ranking Russian officials have lately been ever more active in participating in a rowdy campaign of misinformation and innuendo being waged by the Russian mass media, aimed against Ukraine in connection with the situation in Crimea. These officials have thus imparted an official tone to this campaign.

Indeed, political party leaders making purposeful statements are one thing and people whose official duty ought to be taking care of the preservation and development of Russian-Ukrainian good-neighborliness, which would absolutely exclude any attempts to interfere in Ukraine's internal affairs, and whose voices are sounding in the anti-Ukrainian information campaign, are quite another.

Instead, we witness how these officials are taking on themselves the part of supreme judges and resorting to the rhetoric of dubious assertions, full of undisguised sympathy for the Crimean leadership's separatist aspirations. They are even resorting almost to overt threats to Ukraine, the leaders of which are acting fully in accordance with constitutional provisions and international norms and defending their state's territorial integrity.

In participating in the anti-Ukrainian information campaign, senior Moscow bureaucrats are encouraging Crimean separatists to violate Ukraine's Constitution and the legislation in force. In (?ostentatiously) expressing their concern in connection with the exacerbation of the situation surrounding the Crimean problem, they cannot find a single word of censure with regard to anticonstitutional actions and decisions by those actually to blame for the crisis. What is more, some strange logic makes them put responsibility on Ukrainian politicians who in their relations with Crimea do not trespass upon the boundary of constitutionalism.

The inappropriateness and tactlessness of certain Russian officials' statements are not conducive to friendly, good-neighborly relations between the two Slav states, which have common roots and whose problems of today are similar. This causes surprise and anxiety to the people of Ukraine. Ukraine has determined the strategy and priority of its policy towards Russia, which is a policy of friendship and partnership on a basis of equal rights, and consistently pursues this course and rejects diktat or condescension.

We express regret that some in Russia cannot understand this and still look on Ukraine as a dependent state. We call at this difficult time in the history of our relations for consideration and foresight. This is said in the statement by the press service of Ukraine's president and cabinet of ministers.

Deputy Minister Says GATT Membership 'Top Priority' Issue

WS2405112394 Kiev UKRINFORM in English 1940 GMT 23 May 94

[From the "Business News Weekly" feature No. 21, 16-22 May 94]

[Text] The mid-April GATT meeting in Morocco, which was attended by delegations of about 140 member nations, resulted in signing an agreement on institution of the World Trade Organisation [WTO] which ushered in a new era of global trade, tariff, custom, investment and other economic relations. Henceforth, GATT/WTO will assume UN-like dimensions with its member nations accounting for over 90 per cent of global trade turn-over.

The so multitudinous membership leaves but a handful of nations outside the GATT/WTO structure. Nineteen more nations are presently officializing their accedence to it, Russia, Belarus and Ukraine included.

Russia started the process on 16 June 1993. Ukraine, who assumed the GATT observer status on 14 July 1992, started its similar process of accedence to GATT only on 17 December 1993. Russia is widely expected to accede to GATT/WTO as a full-fledged member before 1994 elapses. Ukraine is only drafting its memorandum of foreign trade, the key document necessary for accedence to GATT.

According to Serhiy Osyka, Ukraine's Deputy Minister for foreign economic relations and GATT permanent representative, the longer Ukraine contents itself with the role of an outsider, the more difficult the process will be of normalizing its trade and economic relations with GATT/WTO member nations including Ukraine's neighbors, Russia and Belarus.

The Ukrainian official sounds very pessimistic on Ukraine's bilateral economic agreements and their efficiency in Ukraine gaining the MFN [Most-Favored Nation] status, which invariably presupposes full-fledged GATT membership.

Mr. Osyka urges top priority to be assigned by the Ukrainian leadership to Ukraine's accedence to GATT/WTO, moreover so that the world community is ready and willing to assist Ukraine is so doing.

The Ukrainian delegation to GATT is reported to have stepped up of late its efforts toward the speediest possible officialization of Ukraine's accedence to GATT/WTO.

Technical aid to Ukraine may assume a more tangible dimension, when Ukraine's interdepartmental commission for accedence to GATT/WTO visits Washington, DC, in early June.

A visit is also contemplated to be paid to Kiev by a team of experts with the US mission to Geneva and officers of the GATT Secretariat for meetings with top Ukrainian officials in late May.

Deputy Minister on Defense Industry Conversion Project

WS2405114294 Kiev UKRINFORM in English 1940 GMT 23 May 94

[From the "Business News Weekly" feature No. 21, 16-22 May 94]

[Text] The Westron US-Ukrainian joint venture [jv], which was co-founded by Kharkov's Khartron and the US-based Westinhous Electric Corp., will manufacture automated systems for control over technological processes, Valeriy Kazakov, Ukraine's deputy minister for engineering, MIC [military industrial complex] and conversion, disclosed in an interview to UKRINFORM.

Within the broad framework of the Nunn-Lugar program (which provides for the Ukrainian defense industry's conversion) a pilot defense conversion project will be financed by the USA to the tune of 5 million US dollars. Besides, Westinhous will additionally allocate 20 million US dollars from its own funds.

Westinhous officers are presently in Kharkov to register the jv and settle some technical problems.

The jv's automated control systems are supposed to be mounted at six power generating units of Ukrainian nuclear power plants. The US partner's contribution to manufacture of the first such system will amount to 90 per cent of total costs, the last one is supposed to be financed by the Ukrainian party by 90 per cent.

Meanwhile, as many an expert in Ukraine maintains, the US party has been rather sluggish in implementing the Nunn-Lugar defense conversion program.

A mixed US-Ukrainian intergovernmental commission is in charge of the program's implementation. Its Ukrainian component is headed by Mr. Kazakov. Its first meeting was summoned in March 1994.

The latest visit to the USA by a Ukrainian delegation led by vice-premier Valeriy Shmarov resulted, in particular, in an agreed list of 35 Ukrainian defense enterprises to undergo conversion.

On 26 May the list will be published in the USA to facilitate US partner selection for joint ventures to be set up in Ukraine to assist in defense industry conversion.

Black Sea Fleet Urges Regional Problems Be Settled by Talks

LD2405174594 Moscow INTERFAX in English 1617 GMT 24 May 94

[Text] The Black Sea Fleet officers have urged the Ukrainian, Russian and Crimean presidents, the CIS heads of state and heads of parliament to settle complicated state and regional issues only through normal negotiations.

The Black Sea Fleet press center told INTERFAX that the statement had been adopted by the fleet officer meetings coordinating council in Sevastopol on 24 May. Officers recommended that the CIS leaders give the appropriate evaluation to representatives of the Ukrainian power structures stating their readiness for any decisive actions and to warn them about personal responsibility for possible consequences.

Due to the concentration of troops in Crimea the Black Sea Fleet officers proposed that the Ukrainian, Russian and Crimean presidents guarantee that no force would be used. The Ukrainian Security Service and Interior Ministry must report on the additional military formations arrived in Sevastopol without any notification to the local authorities, the officers emphasized.

The statement underlined that military officers must not be hostages during struggle for posts and reorganization of the society among politicians.

Ostankino Correspondents Stripped of Accreditation

LD2405163694 Moscow NTV in Russian 1500 GMT 24 May 94

[Text] The Ukrainian Foreign Ministry has taken the decision to strip journalists from the Ostankino Television and Radio Company working on Ukrainian territory of their accreditation. The ministry accuses these journalists of provocative reporting of events in Odessa, Crimea, and also eastern Ukraine. Evidently, according to their logic, everything has started because of journalists and has nothing to do with politicians.

Turkmenistan Resumes Natural Gas Supplies; Figures Given

WS2405120194 Kiev UKRINFORM in English 1940 GMT 24 May 94

[From the "Business News Weekly" feature No. 21, 16-22 May 94]

[Text] Ukraine's outstanding debt notwithstanding, Turkmenistan resumed its natural gas supplies to Ukraine on 13 May in accordance with a 7 May agreement. Turkmen gas supplies are said to have reached a daily average of 53 million cu. m.

According to Bogdan Babiy, chief engineer of Ukrgazprom's dispatching service, Turkmen gas supplies during the early days since their resumption exceeded 75 to 80 million cu. m. a day, but presently have been temporarily reduced to 20 to 25 million cu. m. a day.

According to the Ukrgazprom spokesperson, within the 13 through 20 May period Turkmenistan piped 377.5 million cu. m. of natural gas to Ukraine, which was by 160.8 million cu. m. less than the agreed figure.

The issue of Ukrainian indebtedness extinguishment remains unsettled with charges for gas transit across Russia's territory posing as a major problem.

The latter was supposed to be negotiated by the two interested parties on 19 May, but the talks were postponed to 24 May.

However, on 19 May the Ukrainian side did have talks with Russia's Gazprom officers, which focused on progress made in extinguishing Ukraine's fuel indebtedness to Russia following a scheme, which was adopted on 12 April 1994.

As of 22 May 1994, Ukraine's debt to Gazprom stood at about 600 million US dollars.

According to Mikhail Kovalko, chairman of the State Committee for oil and gas, non-payment by Ukrainian gas consumer enterprises resulted in their aggregate debt to the tune of 15 trillion krb. (or about 300 million USD).

Enterprises under the Ministries of industry, engineering, MIC [military industrial complex] and conversion, and the State Committee for communal services and public utilities, are among major fuel debtors, which the Ukrainian government has repeatedly admonished for failing to repay their gas debts as prescribed.

Speaking at a recent Cabinet session acting premier Yukhym Zvyahilskyy threatened to apply extremely harsh measure to the non-payer enterprises including terminated gas supplies, bringing them to court of arbitration, etc. The government's earlier resolution said, in particular, that responsibility for any consequences, which might ensue from these measures, would rest entirely with culprit enterprise managers.

According to Mr. Kovalko, on 19 May gas supplies were either drastically curtailed or altogether suspended to as many as 1,300 state-run enterprises.

However, as Mr. Kovalko maintains, the enterprises are supposed to cope with the gas debt repayment problem in a matter of days, which will allow the State Committee for oil and gas to significantly reduce its own indebtedness to Russia's Gazprom.

Incidentally, Mr. Kovalko is expected to top the VR Committee for Ukraine's fuel and power complex.

In the meantime, Russian natural gas flow to Ukraine has not subsided with daily natural gas piping averaging over 585 million cu. m., according to Ukrgazprom, which is within the agreed supply amounts. Over the 13 May through 20 period, 4,095.2 million cu. m. of Russian natural gas were piped to Ukraine.

As Mr. Kovalko disclosed, stable Russian natural gas supplies and resumed Turkmen gas piping allowed Ukragazprom to start piping the planned natural gas amounts to Ukraine's underground storages to pool reserve stocks, since Ukraine's domestic consumption of natural gas within the same period was 1,310.9 million cu. m. only with averaged daily consumption of about 187.27 million cu. m.

According to Mr. Kovalko, as of 20 May, about 2 b. cu. m. of natural gas were piped into underground storaging facilities. However, this is a meager fraction of the required 30 b. cu. m. stock. Moreover, Ukrgazprom's action was belated in view of lacking means to pay for imports, whereas the unsettled issue of payment with both Russian and Turkmen natural gas exporters makes the situation a shaky one and fraught with the danger of gas supply discontinuance, maybe, without further notice.

National Affairs

Crimean President Interviewed on Crisis Situation

LD2405140994 Moscow INTERFAX in English 1304 GMT 24 May 94

[text] Crimea's President Yuriy Meshkov declared that a Crimean parliamentary delegation has arrived in Kiev for talks with the Ukrainian leadership to conclude a treaty and settle the conflict. In an exclusive interview with INTERFAX on Tuesday [24 May], he said that the situation would not reach the critical point.

Asked whether Crimea might go back on its decision to restore the 1992 Constitution on dual citizenship and formal relations with Ukraine, Meshkov remarked that the decision had been taken by Crimea's parliament rather than president. Consequently, it is for Crimean legislators to decide how to respond to the ultimatum by Kiev, which has given Simferopol ten days to reconsider the decision. He recalled that he had asked Crimean lawmakers to postpone debates on the revision of the constitution.

Queried whether Crimea expected help from Russia, Meshkov replied, "It would be enough to warn against the use of force in efforts to solve our problems." In his words, the Crimean leadership has been constantly in touch with Moscow on the issue. However, he evaded answer to a question on what precisely "Moscow tells" him.

Asked about a solution to the Black Sea Fleet's problem, President Meshkov replied, "It has become more obvious that it is quite complex to come to grips with the problem without us. From the start of the talks on the issue Russia has negotiated from a reasonable and balanced position, suggesting that Crimea would take part in these negotiations or at least send its observers there."

Ukraine seeks to force Crimea out of Ukraine, which was explicit when General Radetskyy (defense minister—IF) barred the Crimean president from the talks on the Black Sea Navy in Simferopol, "He clearly deals with us as an adversary," Meshkov said.

Basics of Crimean Settlement Laid at Talks

LD2405143394 Moscow ITAR-TASS World Service in Russian 1357 GMT 24 May 94

[Report by ITAR-TASS diplomatic correspondent Vitaliy Makarchev and UKRINFORM correspondent Aleksey Trotsenko]

[Text] Kiev, 24 May (ITAR-TASS)—At the talks taking place in Kiev between delegations of the Ukrainian Supreme Soviet and the Crimean parliament, the basis of a mechanism for settlement of the Crimean conflict has been laid. This was said today by Ukrainian President Leonid Kravchuk when he received British Foreign Secretary Douglas Hurd who has arrived in Ukraine on a one-day official visit.

"I must stress yet again," Leonid Kravchuk noted, "that Crimea is an autonomous part of Ukraine." "We want to act within the framework of the Ukrainian Constitution, not to resort to force, and we are insisting that the authorities in the Crimea also act within its framework," he stated, having called on Russia to support Ukraine in this.

Oleynik Says Talks With Crimea Proceeding Normally

LD2405110794 Moscow ITAR-TASS in English 1103 GMT 24 May 94

[Report by ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Kiev 24 May, TASS —"Talks with the parliamentary delegation from the Republic of Crimea are proceeding in a normal and constructive manner. The Ukrainian side is satisfied with the proceedings," Ukrainian Parliament delegation leader Boris Oleynik told ITAR-TASS.

Crimean parliamentarians refused to comment.

The meeting continues behind closed doors.

Oleynik on 'Constructive' Talks With Crimean Deputies

LD2405195294 Moscow ITAR-TASS in English 1931 GMT 24 May 94

[Report by ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Kiev 24 May TASS—"The negotiations with Crimean parliament deputies were constructive, and I am grateful to both delegations which have managed to reach the best possible way out," head of the Ukrainian parliamentary delegation Boris Oleynik told ITAR-TASS here today.

The sides agreed to recommend the Ukrainian and Crimean parliaments to form a bilateral working group to discuss the negotiations' proposals. The Ukrainian parliamentary delegation called on the Crimean deputies to consider a suspended validity of the decisions, which restored the 1992 Constitution loosening the Crimea's links with Ukraine, for three days.

Crimean Parliament Speaker Sergey Tsekov told a news conference upon the negotiations completion that the "Republic of the Crimea does not plan to separate from Ukraine. This can be said only by those who know nothing about the content of the Crimean legislative acts".

In his opinion, a single legislative act should be adopted to achieve eternal stability in Ukrainian-Crimean relations. This may be an agreement between Ukraine and the Crimea, and the working group should discuss this problem.

Crimean Negotiations End Without Agreement

LD2505021994 Kiev UNIAR in Ukrainian 2145 GMT 24 May 94

[Text] Kiev, 24 May—"To examine within three days the issue of suspending for the duration of activity by the joint working group the validity of the acts passed by the Supreme Councils of Ukraine and Crimea on 20 May 1994." This was a proposal made to the parliaments of Ukraine and the Crimean autonomy by the Supreme Council of Ukraine commission for problems of a settlement to the situation in Crimea, led by Borys Oliynyk. It is, in particular, said in the final document, read aloud at a news conference on the results of a consultative meeting between the Supreme Council of Ukraine commission and a Supreme Council of Crimea delegation, headed by Borys Oliynyk and Supreme Council of Crimea chairman Serhiy Tsekov, respectively: "The Supreme Council of Crimea delegation informed the Supreme Council of Ukraine commission of the situation in Crimea, that arose after the adoption by the Republic of Crimea Supreme Council of the laws and other legislative acts of 20 May 1994. In the course of an exchange of opinions, it was stated that there lacked conformity between the above documents and the Constitution and legislation in force in Ukraine, and there existed inefficiency in decisions by the supreme bodies of legislative and executive power in Ukraine and Crimea being put into practice. Participants in the meeting were unanimous in acknowledging the necessity of effective steps to be taken with the aim of achieving the stabilization of the situation and the most effective resolution of Crimea's socioeconomic problems. It was emphasized that the mass media were not always objective in their coverage of events. It was decided to recommend that the Supreme Councils of Ukraine and the Republic of Crimea should set up the Ukrainian and Crimean Supreme Councils' joint working group for proposals to be coordinated and submitted for consideration by the former bodies."

In the opinion of Serhiy Tsekov, Republic of Crimea Supreme Council chairman, the meeting was held in a difficult situation, which was influenced by the latest events in Crimea. "We believe that this situation was caused not only by the adoption of relevant legislative acts by the Supreme Councils of Crimea and Ukraine but also by inconsistency in actions by politicians on Crimean issues in the course of the past two years." In Serhiy Tsekov's words, the work of the group will help resolve the Crimean problem so that differences in relations between Ukraine and Crimea will not occur invariably. "We want stability in Crimea and we want stability in Ukraine as a whole," said the Supreme Council of Crimea chairman.

As for the final goal of the Russia bloc, which is to reunite Crimea with the Russian Federation, Serhiy Tsekov expressed the hope that in the future Crimea would join Russia together with the State of Ukraine. The main point in a future treaty with Ukraine, in the view of the autonomy's parliamentary chairman, should be the delegation of powers by Crimea to Ukraine and not the other way round. Borys Oliynyk pointed out that the Supreme Council's resolution on bringing Crimea's legislation in line with the Ukrainian constitution within the term of 10 days was remaining in force and that the mechanisms of appropriate executive structures were continuing to function under the procedure established.

The Crimean delegation leaves for Crimea on 24 May.

Situation in Crimea Remains 'Calm'

LD2505084894 Moscow Ostankino Television First Channel Network in Russian 0800 GMT 25 May 94

[From the "Novosti" newscast]

[Text] This morning we contacted our Simferopol correspondent Vladimir Plotnikov. He says the situation in the peninsula remains calm. Industrial enterprises and agricultural cooperatives continue their work as usual and there are no particular signs of panic buying in shops.

Kravchuk Gives Speech to Veterans Organization 24 May

LD2405193694 Kiev Radio Ukraine World Service in Ukrainian 1600 GMT 24 May 94

["Part" of speech by Ukrainian President Leonid Kravchuk to the Council of the Organization of Veterans in Kiev on 24 May—recorded]

[Excerpts] Kravchuk on Ukrainian-Russian relations and Crimea: Part one (stand on Crimea)

The Council of the Organization of Veterans held a plenum on 24 May to discuss arrangements to mark the 50th anniversary of Ukraine's liberation from Nazi occupation and the 50th anniversary of victory in the Great Patriotic War [World War II on Soviet territory]. Ukrainian President Leonid Kravchuk, Minister of Defense Vitaliy Radetskyy, National Guard Commander Volodymyr Kukharets, and other state officials attended the meeting. Considering the importance of the president's address in terms of various problems in Ukraine's domestic and foreign policy, we are broadcasting the larger part of the speech.

[Kravchuk] [passage omitted] I am grateful to the Organization of Veterans for raising the issue of Crimea and offering to address the people of Ukraine on this issue because your words and your voice will have a great impact. I am not exaggerating. [Words indistinct] the situation is developing as follows: We are acting in accordance with the Constitution and the law. By we, I mean the president and the Supreme Council of Ukraine. Believe me, I have not violated Ukraine's Constitution and legislation so far. The Supreme Council resolution passed last Friday [20 May] fully accords with the Constitution and the law on delimitation of powers between the authorities in Crimea and Kiev and with the law on citizenship. No one violated anything. We will continue to act within the framework of the Constitution, within the framework of the legislation, while our power structures follow the laws and the norms adopted in Ukraine.

We proceed from the main premise that Crimea is a constituent part of Ukraine. This has been recognized worldwide. On the way here, I received reports from the world's biggest powers: the United States of America, Great Britain, Germany. The Russian foreign minister also declared this. They all are united in the opinion that Ukraine's territorial integrity is a fact of life, Ukraine's sovereignty cannot be violated, and that the defense of territorial integrity, inviolability of borders, and a country's sovereignty is a sacred duty of every individual and every state. This is the bottom line, which no one is allowed to cross. This is, as they say, the red line. When we are involved in a discussion with Crimea, we say: Recognition of the basic fact that Crimea is a constituent part of Ukraine, and the same constitution and laws apply on its territory as on the territory of Ukraine, open the door to any compromise, and any economic, social, and political solutions.

But Crimea and its leadership [words indistinct] are also violating their own laws, that is, laws enacted in Crimea, and not only Ukrainian laws. Naturally, in this situation it is difficult to take the settlement of the issue into the legal framework.

Our delegation, led by Acting Prime Minister Yukhym Zvyahilskyy, has gone to Moscow to settle the issue of the Black Sea Fleet, which is very acute. There is some progress, and there are difficulties. I hope, however, that both Russia and Ukraine will have enough diplomatic ability and that their attitude toward the situation will be sufficiently politically discerning—taking into account all possible positive and negative consequences—to resolve this problem properly in order first to preserve peace in Crimea and second not to become an apple of contention, as it were, between us; and for us to settle it in a way that would make friendship, partnership, and cooperation with our great neighbor Russia determine our policy and be a priority in it.

You yourselves can see that this does not depend entirely on Ukraine's position. I cannot help but talk today about the wild and untruthful information that the Russian mass media is disseminating. The mass media, however, is the mass media.

I cannot help but tell this audience, which is composed of experienced, politically balanced, and intelligent people, that the rhetoric at the state level in Russia, at the level of representative and state power, is unacceptable to Ukraine. All sorts of hints, all sorts of warnings to the president of Ukraine cannot be recognized by the civilized world as according with international norms if one should be guided by these norms. Any president can issue warnings to his own structures, his own ministers, his own government, and state and other structures subordinate to him, but not to the president of another state. This is not fitting. It is not a democratic approach and does not do any credit to anyone resorting to it.

I want to be understood: I cannot help but pay attention to such things when Mr. Sergey Filatov hints that someone provoked the problems in Crimea in order to retain power. I would like to know whose opinion is this? Is it Filatov's personal opinion, or his opinion as chief of presidential staff, or is it someone else's opinion? This is a serious issue. We do not allow ourselves any attacks at the state level against our neighbor, a state with which we want friendly, equal, partnerlike relations for good, not for one day. Everyone must consider that.

Kravchuk on Russian Officials' Statements on Crimea

LD2405173294 Moscow INTERFAX in English 1617 GMT 24 May 94

[Text] Ukrainian President Leonid Kravchuk said that statements by different Russian politicians towards Ukraine were "not in conformity with international standards." For instance, Kravchuk criticized the statement of Russian Kremlin Chief of Staff Sergey Filatov who had suggested that development of the Crimean conflict was beneficial for the presidential structures in Kiev since they were interested in postponement of the presidential elections.

Kravchuk wondered whether this was a personal point of view of Filatov or the official position of the Russian leadership.

Commenting on the recent statement by Russian President Boris Yeltsin who had warned Kravchuk that no force must be used in Crimea, Kravchuk said that the president could warn his own structures but not the president of other state. Kravchuk said that such warning also contradicted "international standards."

Kravchuk confirmed that Ukraine was acting in accordance with the Ukrainian constitution.

No Decision Yet in Ukrainian-Crimean Parliamentary Talks

LD2405175094 Kiev UNIAN in Ukrainian 1615 GMT 24 May 94

[Text] Kiev [no date as received]—At 1000 [0700 GMT] on 24 May, a parliamentary delegation from Supreme Council of Crimea led by Serhiy Tsekov, parliamentary chairman and a former people's deputy of the Supreme Council of Ukraine, arrived at the Supreme Council of Ukraine. According to unofficial information, a private meeting between Serhiy Tsekov and Borys Oliynyk, who heads the Ukrainian parliamentary delegation, was held prior to the beginning of Ukrainian-Crimean parliamentary negotiations.

Serhiy Holovatyy and Oleksandr Skipalskyy, members of the Ukrainian delegation, informed a UNIAN correspondent that no decision on any issue was made as of 1700 [1400 GMT].

Commenting on the current situation, Volodymyr Hrynyov, cochairman of the Interregional Bloc of Reforms, said that what the Crimean parliament did demonstrates that the first step toward Ukraine's federative structure has been taken. He believes that the only appropriate way out of the situation is to follow the example of Russia and Tatarstan, which did not allow the situation to escalate. V. Hrynyov believes that Ukraine must use that example because, except for a federation, he can see no other way. "You cannot hide the truth, and that it had to be this way was clear as long ago as when the previous Supreme Council passed the law "on delimiting powers between the state bodies of Ukraine and Crimea."

Volodymyr Hrynyov believes that compromise can cause furious disagreement in the parliament.

From Simferopol: Viktor Mezhak, deputy chairman of the Supreme Council of Crimea Praesidium and leader of the People's Party of Crimea, told a UNIAN correspondent on 24 May that the Crimean delegation at the negotiations in Kiev intended to press for strict compliance with the law "on delimiting powers between Ukraine and Crimea" and, in particular, on the annulment of the Ukrainian presidential directives on reorganizing the Crimean Internal Affairs and Justice Ministries and the Security Service. He said the formation of Crimean authorities was the prerogative of the Republic of Crimea, as well as on the obligatory provision for the Crimean side of information on any Ukrainian troop movements on the territory of the peninsula, and so on. The Crimean delegation will also demand that the the office of the Ukrainian presidential representative in Crimea be disbanded.

Ukraine, Crimea Working Party To Meet in Simferopol 27 May

LD2405173094 Moscow ITAR-TASS World Service in Russian 1632 GMT 24 May 94

[Report by ITAR-TASS special correspondents Sergey Karmalito and Lev Ryabchikov]

[Text] Simferopol, 24 May—It was decided today to set up a Ukrainian-Crimean parliamentary working party to consider contentious issues surrounding the restoration of the Constitution of the Republic of Crimea, as worded on 6 May 1992. The decision was taken at a meeting in Kiev between delegations from the two parliaments.

Viktor Mezhak, deputy chairman of the Crimean Supreme Council reported that representatives from the Ukrainian parliament were expected to arrive in Simferopol on Friday [27 May]. It was recognized that it would be more sensible to hold the dialogue in Crimea, since such contradictory information is being received about the situation here. We think that the mutual understanding found in Kiev will be strengthened, he said.

According to Mezhak, the Crimean delegation considered it particularly important to set out its point of view as clearly and as specifically as possible: There is no question of redrawing Ukraine's borders. Political integration within the framework of the CIS sets a good example, the deputy chairman of the Crimean Supreme Council stressed, Crimea cannot survive without Ukraine but relations must be built on equal terms.

Supreme Council Chairman To Visit Crimea

LD2505093694 Moscow ITAR-TASS World Service in Russian 0832 GMT 25 May 94

[Report by ITAR-TASS correspondents Viktor Demidenko, Mikhail Melnik]

[Text] Kiev, 25 May—ITAR-TASS has discovered from reliable sources that the chairman of Ukraine's Supreme Council will be making a working visit to the Republic of Crimea. He plans to hold a series of meetings with leaders of the autonomous republic and with representatives of public organizations and movements with an interest in resolving the current problems and settling the situation on the Crimean peninsula.

Black Sea Fleet Brigade on Increased Combat Alert

LD2405140494 Kiev UNIAN in Ukrainian 1330 GMT 24 May 94

[Text] Sevastopol [no date as received]—A UNIAN correspondent learned today from reliable sources close to the Black Sea Fleet staff that a Black Sea Fleet marine infantry brigade has been brought to a "military danger" state of increased combat readiness. In accordance with this degree of combat readiness, the personnel have been issued with weapons, dressings, and bullet-proof vests and have been confined to barracks. Duties are increased for the purpose of emergency reaction to changes in the operational situation.

The declaration of "military danger" in the brigade continues the series of combat preparations. The Black Sea Fleet Command decided even earlier to transfer a tank battalion and a surface to air missile battalion to the brigade in Sevastopol.

Crimean Minister on Ukrainian Armor Transfer

LD2505072494 Moscow ITAR-TASS World Service in Russian 0605 GMT 25 May 94

[Report by ITAR-TASS special correspondent Sergey Karmalito]

[Text] Simferopol, 25 May—The formation of a Ukrainian National Guard brigade in the Crimea numbering 2,500 to 3,000 men is continuing. This was stated today in an exclusive interview with an ITAR-TASS correspondent by Major General Valeriy Kuznetsov, the minister of internal affairs of the Crimean republic. In his words, claims that the armored vehicles that had been moved to Simferopol the other day had been under repair and had now gone to their places of previous deployment, were at variance with reality. In fact, they have been handed over to the Ukrainian National Guard brigade which is being formed in Sevastopol and Simferopol and includes subunits of the Special Forces.

V.Kuznetsov drew attention to the fact that this kind of military build-up was "not necessary and not typical" for the Crimea, which was already "oversaturated with military formations and combat equipment" as it was. At the same time, he pointed out that moves are being made on the part of the Ukraine to win over and test the ground in army units as to the readiness of the personnel in the event of an emergency being introduced in the Crimea. It is essentially a question of possible interference by the army and National Guard if the situation deteriorates. At the same time, attempts are being continued to split the MVD [Ministry of Internal Affairs] of the Crimean Republic by creating a Chief Administration subordinated to Kiev. So far, V.Kuznetsov said, the unity of the MVD is being maintained. In our view, he continued, the best thing is to tackle all the disputed questions at the negotiating table. Russia's treaty with Tatarstan and current dialogue with Chechnya could serve as an example, "especially," the Crimean minister of internal affairs stressed, "as we are not declaring that we are ceasing to form part of the Ukraine or reviewing the existing frontiers."

Crimean President on Nationalism, Relations, Tartars

WS2405133294 Warsaw POLITYKA in Polish 28 May 94 p 17

[Interview with Yuriy Meshkov, president of the Crimean Republic, by Karol Wrubel; place and date not given: "A Happy Place..."]

[Text] [Wrubel] When you were elected president, fears intensified that Crimea might become another conflict area on the territory of the former Soviet Union. You are definitely in favor of stronger ties with Russia, even though your Republic has been part of Ukraine since 1954. How would you like to prevent the possibility of exacerbating the conflict over Crimea?

[Meshkov] The only way to avert such a conflict is to force the Ukrainian authorities to implement the commitments that they have made. For the time being, however, we have been witnessing something entirely contrary.

[Wrubel] What do you mean: to force?

[Meshkov] The current elite in Kiev is busy trying to figure out how to stay in power. However, it is no longer supported by the people. The Ukrainian people were sentenced to living in poverty. There are attempts to take advantage of the upcoming 50th anniversary of the deportation of the Crimean Tartars to aggravate the conflict. Under the pretext that public order is jeopardized, additional military units are being dispatched to our territory. We used to have 18,000 soldiers whereas now we have as many as 60,000. Who needs this? We are concerned about the economy, but what we get are military echelons, tanks, special units, and flame throwers. In addition, the United States and other countries are being appealed to for support. This may bring about inestimable consequences.

[Wrubel] Your movement is being accused of promoting Russian nationalism, of separatism, and sometimes even of political hooliganism.

[Meshkov] The motives of our activities have nothing to do with nationalism. On the contrary; the goal of our policy is to protect Crimea from an increase in nationalistic feelings.

[Wrubel] Is the support given to you by Russia sufficient?

[Meshkov] Most important for us is the support of our own people, of the inhabitants of Crimea. As far as Russia is concerned, we would certainly be happy if its official policy were firmer. Nonetheless, we understand, of course, that this is not always possible and that Moscow's stand depends on many various factors.

[Wrubel] The forces that are giving support to you in Russia do not call up good associations. Those forces are accused of chauvinism and enmity toward reforms.

[Meshkov] Crimea is the happy place on earth where there is no nationalism. Any attempts by external forces to arouse it will be abortive, both now and in the future. Thus, the support given to us by extreme groups will not in any way decide the character of our ambitions. Moreover, we are supported by various forces—first of all by people who are concerned about the development of the situation in Crimea.

[Wrubel] Many of your decrees have been annulled by President Kravchuk. Recently Kiev has opposed the changes in the posts of the minister of security and the minister of internal affairs—both changes were made by you. Your powers are subject to quite considerable limitations, then?

[Meshkov] Both of these cases are the best illustration of the conditions in which we are conducting our activities. We are getting ready for the implementation of an economic reform, whereas Kiev is employing forceful methods in order to aggravate the conflict. The minister of internal affairs breached official discipline and the Crimea Republic did not receive even a small portion of the information that the security services were sending over to Kiev. Now, this apparatus should work first of all for its own Republic, even if it considered it to be part of Ukraine. Therefore, I had to appoint new ministers.

[Wrubel] One of the best-known Crimean problems is the issue of Tartars, whose leaders are rather critical of your program. What do you think needs to be done to resolve the problem of Tartars?

[Meshkov] The issue of how this problem should be resolved is decided in the general declaration of human rights. Crimean citizens of Tartar nationality have suffered wrongs that should be compensated to them. Unfortunately, the Crimean Republic is not in a position to bear the financial burden of a just resolution of this problem. This is why we need help. However, also in this case I would like to stress that there is not at all an undercurrent of nationalism in the present difficulties linked to the resolution of the Tartar problem.

[Wrubel] The Russian minister of defense and his Ukrainian counterpart, who held negotiations in Sevastopol on the Black Sea fleet, considered your participation in the talks to be undesirable. Did you feel offended?

[Meshkov] I could feel personally offended, but this would not be rational behavior. However, the situation looks different if we perceive this event as an illustration of the attitude toward Crimea's president. It is a requirement of diplomatic protocol that defense ministers visiting some administrative unit advise, at least its authorities, that they are coming. However, even if the president of Crimea is shown disrespect, it must be remembered that it is not possible to show disrespect to the people who have elected him.

Crimean Administration Receives Reports on Army Movements

LD2305205194 Moscow Radio Rossii Network in Russian 1800 GMT 23 May 94

[Text] As one should have expected, the 20 May decision by the Crimean parliament to restore the main provisions of the 1992 Constitution provoked a quite negative and tough reaction on the part of official Kiev. It is not surprising that events on the peninsula have become the main story of news agencies over the past few days. My colleague, Anton Grishin, reports on the latest from the region:

[Begin Grishin recording] It looks as if an attempt on the part of the presidents of Ukraine and Russia to cool tempers has led nowhere. A statement by Ukrainian Defense Minister Vitaliy Radetskyy cast doubts on the verbal agreements reached on abstaining from the use of force to settle the Crimean conflict. According to Radetskyy, I quote, official Kiev will take no one and nothing into consideration in preserving the Crimea within Ukraine and will opt for the most decisive measures to do so—end of quote. It became known on Monday [23 May] that 29 armored vehicles of the Ukrainian Armed Forces were moved into Simferopol. The strength of the military contingent was considerably increased. This prompted the Crimean law enforcement bodies to be confined to barracks and all vitally important facilities in the republic be placed under guard. [end recording]

Yevgeniy Novikov reports from Simferopol:

[Begin Novikov recording] During the afternoon, the Crimean president's administration began receiving information from Simferopol residents on the movement of Ukrainian military equipment through the town. Worrying reports were coming from the Crimean Ministry of Internal Affairs. However, by the end of the day on 23 May, no Ukrainian military equipment was found on the streets of Simferopol. Obviously, this equipment is on the territory of the military units in Simferopol. The Crimean president's administration reported that the officials of Simferopol are refraining from action and are awaiting the results of talks between the prime ministers of Ukraine and Russia on the Crimean problem. In the meantime, passengers of long-distance trains continue to supply contradictory information on the movement of Ukrainian military trains in the border regions of the northern Crimea. [end recording]

Railroads 'on Brink of Bankruptcy'

LD2405123894 Kiev UNIAR in Ukrainian 1145 GMT 24 May 94

[Text] Kharkov, 24 May—Ukraine's railroad industry is on the brink of bankruptcy, Oleksandr Puchkov, head of Southern Railroads [Pivdenna Zaliznytsya] told UNIAR. "Considering the present conditions, we should have laid off at least 30,000 Southern Railroads employees. Railroad workers have not been paid since January. The railroad used to get its main profit from freight which accounted for 90 percent of the entire workload. But now freight makes up only 21 percent of the business, with 79 percent taken up by passenger and commuter travel and overall traffic constantly declining. The situation is the same on Ukraine's five other railroad networks."

Plyushch Favors Presidential Elections

AU2405164994 Kiev HOLOS UKRAYINY in Ukrainian 19 May 94 p 2

[Report by Sviltana Viktorova on former parliamentary speaker Ivan Plyushch's meeting with journalists; place and date not given: "To Organize or Disorganize Elections?"]

[Text] An assessment of the first week of work of Ukraine's new Supreme Council, legislative collisions, the course of the presidential election campaign as well as of the campaign for the election of local bodies of government and self-government, and interrelations between branches of power—these and other questions were discussed by Ivan Plyushch, Ukraine's people's deputy and chairman of Ukraine's Supreme Council of the preceding convocation, during a meeting with journalists.

"Of course, Ukraine's Supreme Council has demonstrated its striving to proceed, as soon as possible, to considering topical problems in the life of our society in order to open up a wide road for economic reforms." This is the general assessment of the beginning of the work of the session given by Ivan Plyushch. "However, no matter how much we would want to separate politics from the economy and the economy from politics, it is impossible because it is meaningless to expect that economic reforms will be implemented before political reforms are completed."

Nor can we bypass organizational questions. One of them, in the opinion of Ivan Plyushch, is the approval of powers of the deputies by the credentials committee, as is stipulated by the Constitution. It is only after the mandates of the deputies are approved that decrees and laws adopted by the parliament may be considered valid. I. Plyushch stressed that the provisional credentials committee acted in conformity with the current legislation and in conformity with the constitution. It made a proposal, but the discussion and voting did not proceed quite consistently. As Ivan Stepanovych [Plyushch] pointed out, it was not quite ethical either. It would have been correct if, after recognizing the powers of the 331 deputies, the parliament had resolved to adopt the decree as a foundation and put its every item to the vote. The deviations from the procedure and procedural violations led to an ethical failure. The voting results could be the same, but the procedures would be observed. However, it so happened that the results were not achieved in the best possible way, and the parliament could be accused of excessive politicization, settlement of accounts, and unconstitutional character. However, on the last day of the past working week, the parliament adopted the right decision, having authorized the provisional credentials committee to continue clarifying the reasons why elections in electoral districts Nos. 367 and 300 were considered to be valid or invalid and then adopt an ultimate decision.

As regards those clauses in the Ukrainian presidential message to the parliament where the inexpediency of holding elections of local power bodies and presidential elections is argued, Ivan Plyushch, in his talk with the journalists, chronologically accounted for the course of arriving at the decision on holding parliamentary, local council, and presidential elections. He recalled, in particular, L. Kravchuk's statement on the need for such elections. L. Kravchuk said the following: My opinion is that, taking into account the difficult situation and the fact that all branches of power do not have sufficient authority and, one can even say, that they have a very low prestige, it is necessary to hold elections at all levels. It is normal. That is why, to resolve this question, we must adopt, in this audience, a decree on early elections to all branches of power, including the president. Let us not waste time and not make allusions as to who is to blame and who is not to blame. People themselves will make a choice: If they elect left-wingers, the left wing will come to power; if they elect right-wingers, the right wing will come to power; if they elect centrists, then centrists will come to power and will govern Ukraine. The main thing is to have a state.

There were also the following words by the Ukrainian president: "Before my voters and before the whole nation, I declare from the Supreme Council's podium that, on the day when the new parliament convenes for its first session, I will turn to it with a request to organize Ukrainian presidential elections."

Now, stressed I. Plyushch, read Leonid Makarovych [Kravchuk]'s appeal to the parliament and you will see whether he seeks to organize or rather disorganize elections, something that he has been doing for the last three months. In January, when the Supreme Council discussed the question on holding a referendum on the main constitutional principles of organizing the state power and Leonid Makarovych was already at the Supreme Council's podium, a deputy asked him a question: "Will you agree to being re-elected as president in June?" L. Kravchuk: "The Supreme Council has adopted a decree." Voices from the audience: "Will there be presidential elections?" L. Kravchuk: "This is not up to me to decide, this question has already been resolved. The Supreme Council adopted a decree. Why are you asking me? The question has been resolved." I remind you that that was on 25 January. Now, I will tell you that in his recent interview, Leonid Makarovych pointed out that, over one or one and one-half years he had been hearing demands at the Supreme Council that powers be divided among the president and the head of government. So, I did everything in order to have a single head of executive power. If there had been 300 votes in favor of making the prime minister head of executive power, something that I hoped would happen by 12 April, I wouldn't have cared about presidential elections at all. However, after 12 April, I became firmly convinced that this would not be approved by 300 votes. That is why presidential elections will take place. Taking into account those contestants who were on the list, I believed that I also had reasons to be an alternative to them.

Asked whether he thought about a future state model, Ivan Plyushch pointed out that he considered the question inappropriate and referred the journalists to materials of the session of the 11th convocation that was held in February 1990; they are included in the book "Who Are We and Where Are We Going?" That far back, Ivan Plyushch was in favor of further democratization and glasnost in our life; he insisted upon putting an end to violation of objective economic laws, adopting state acts on land and on property, investing our sovereignty with real content, and building relations within a free union of states.

"We are not Germany, not France, not the United States, and not Canada. We are Ukraine with its own specific characteristics, mentality, people, and consciousness," continued Plyushch. "However, if we say that success lies in federalization, this will be incorrect as also incorrect is the statement that success lies in a unitary state. L. Kravchuk said that the Union was a federation, and look what it led to. I do not share his opinion, since had the Union been a federation, as was stipulated in the 1922 agreement, it would, perhaps, never disintegrate. In accordance with that agreement, Ukraine had the right to have its own armed forces, not to mention other things. However, are we, today, ready for a federation? We are not ready. The development of productive forces and the structure of production are such that they will not make it possible to have a federation in its classical form. However, this does not mean that we should never strive to achieve normal development of productive forces in regions or should not cultivate attitudes of masters and citizens among the population. All of our misfortunes are due to the fact that, instead of the Moscow center, we have created a Kiev one and that we are trying to copy everything. Why are we afraid of regional initiative or of delegating powers? It is necessary to grant such powers at a legislative level within oblasts with the help of which it would be possible to resolve an overwhelming majority of local problems and not to go to Kiev for that. I worked as head of an oblast executive committee for six years. At that time, the oblast annually transferred millions [monetary unit not specified] to the republican budget, and then, over a year, we received less than 10 percent of that money. It took me a lot of time to beg the authorities for those funds."

I. Plyushch expressed a conviction that [presidential] elections will be held:

"Four or five persons have been nominated as candidates for council chairmen at various levels. There are five persons for every deputy seat. That is why there is no logic in postponing the elections. Besides, presidential representatives are ready to run for council chairmen. Therefore, it is already impossible to disrupt elections, also presidential ones. I have proposed my candidacy, so that my conscience before Ukraine would be clear, since there are citizens who share my opinions, and I cannot betray them. I do not undertake to forecast the outcome of the elections. No matter whom I will have to contend, I will fight to the very end."

During the meeting, Ivan Plyushch also detailed his thoughts on other problems of the state—economic, political, and ecological.

Supreme Council Elects Deputy Speakers

LD2405165694 Moscow ITAR-TASS World Service in Russian 1608 GMT 24 May 94

[Report by ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Kiev, 24 May— Oleksandr Tkachenko, former agriculture minister and member of the Peasants Party, was elected first deputy speaker of the Ukrainian parliament at a closed plenary sitting of the Supreme Council this evening. Oleh Demin, an independent, and vice president of the Ukrainian-Siberian investment corporation, was elected deputy speaker.

National Electric Power Generation Detailed

WS2405113094 Kiev UKRINFORM in English 1940 GMT 23 May 94

[From the "Business News Weekly" feature No. 21, May 16-22 94]

[Text]

Generation Potential

Ukraine's electricity generation potential lies primarily in nuclear (NPP's) and fuel-fired (FFP's) powerplants with hydro-electric plants (HEP's) operational during peak consumption hours to preclude frequently drops below the critical 49.5 kHz mark.

The Ukrainian Ministry for power industry has 294 enterprises under its command, including 42 power plants and 88 enterprises, which service power and heat transmission lines. Supply of electric power to consumers is effected via 615 regional networks including 493 networks in rural areas of Ukraine.

The total length of Ukraine's aerial and cable transmission lines amounts to 1,014,342 km including 951,604 km of aerial high-voltage transmission lines and 62,738 km of ground cable lines. Ukrainian power lines' maximal voltage is set at 800 kV. There are about 2,047,000 transformer substations in Ukraine with an aggregate power of 197,062 MVA.

Power Generation

(According to the Ministry of power industry)

(Billion kWh)

Yrs	Total	Including					
		FFP's	Percent	HEP's	Percent	NPP's	Percent
1990	298.5	211.6	70.9	10.7	3.6	76.2	25.5
1991	278.6	191.6	68.8	11.9	4.3	75.1	26.9
1992	252.6	170.8	67.6	8.1	3.2	73.7	29.2
1993	230.2	143.8	62.4	11.2	4.9	75.2	32.7

Ukraine's NPP's generated a total of 75.2 MWe including 27.5 MWe by the Zaporozhye NPP, 11.8 MWe by the Rovno NPP, 5.8 MWe by the Khmelnitski NPP, 12.6 MWe by the Chernobyl NPP and 17.5 MWe by the South-Ukrainian NPP.

Ukraine's largest fuel-fired power plants are located in Zaporozhye, Uglegorsk, Krivoi Rog and Burshtynsk.

Electric power generation started shrinking back in 1991, accompanying Ukraine's total production slump. Reductions in power generation have been, since then, mirroring rather pro rata the dropping power consumption by industrial enterprises, forced to curtail production and thus economize on electricity in view of their products' too low competitiveness, due, among numerous other reasons, to excessive power consumption per unit of produce.

According to the Ministry of power industry, in 1993 Ukraine exported 2.7 MWe, though before 1990 it used to annually export as much as 30 MWe. As Vasiliy Protsenko, a deputy agency superintendent with the Ministry, maintains, the sharply reduced power export by Ukraine has been caused by the West's excessive power generation at much lower costs and prices. Thus, purchasing prices have dropped from 5.1 cents to 2.3 cents pr kW, while Ukrainian electric power generation costs average 2.55 per kW.

The Ministry's forecast for 1994 is none too optimistic. Though the State Order prescribes to generate 134 billion kWh by Ukraine's fuel-fired power plants, not over 113.5 billion kWh will be actually generated by them. Similarly, Ukrainian HEP's will likely reduce their generation to the 9.46 MWe mark, and 70 MWe is expected to be generated by the Ukrainian nukes.

In addition to Ukrainian industrial enterprises' shrinking consumption shortages of fuels will most certainly contribute to the predicted power generation drop.

Fuel's Break-Down in Electric Power Generation and Heat Energy Production

Ukraine's fuel-fired power plants rely on coal, oil fuel and natural gas. Total power and fuel consumption amounted to 55.6 million tons of conditional fuel, of which coal accounted for 26.2 million tons (44 per cent), oil fuel's share was 6.5 million tons (or 11 per cent), while natural gas and hydro-electric power accounted for respectively 23.1 (38.8 per cent) and 3.7 (6.2 per cent) million tons of conditional fuel. Physical amounts of fuels consumed by power plants were 42.9 million tons of coal, 4.8 million tons of oil fuel, and 20.2 billion cu. m. of natural gas.

According to Mr. Protsenko, in 1993 Ukraine imported 6 million tons of coal, basically from Russia, though this year coal imports are expected to drop to 1 million tons, primarily due to shortages of Russian rubles. The forecast shortages of coal and oil fuel are estimated at 2.3 million tons and 2.9 million tons, respectively.

Before 1990, the Ukrainian power industry's annual oil fuel requirements averaged 18 million tons. Presently, the figure is reduced to 3.8 million tons, since 50 per cent of power generating units are idle.

During the summer season's 30 per cent reduction in power consumption fuel-fired power plants rely on oil fuel and natural gas to save 800,000 to 1 million tons of coal for the fall-winter period.

Fuel shortages threaten with emergency situations, since the circuit's frequency drop below the critical threshold of 49.5 kHz will result in the circuit's collapse. In view of this circumstance, the Ministry of power industry has to urgently cut off power supply to some consumers. In this way, about 3,000 Ukrainian enterprises are daily cut off from power supply for brief periods.

Ukrainian NPP' consumed about 24 million tons of conditional fuel in 1992.

Power Industry's Financial Standing

Presently, Ukraine's industrial enterprise-clients owe 9.5 trillion krb. to the Ministry of power industry. The latter's indebtedness is estimated at 9.8 trillion krb. including 1.525 trillion krb. for coal, 1.469 trillion krb. for oil fuel, and 1.952 trillion krb. for natural gas.

According to Mr. Turos, the Ministry's agency superintendent, the government's credits, which were granted in late March to the Ministries of Industry and engineering, MIC and conversion to enable their enterprises to repay their indebtedness for fuels, were channeled elsewhere, so the debt to the Ministry of power industry was not repaid. As Ivan Magda, Deputy Minister for power industry, asserts, the Ministry is a virtual bankrupt, while its debtors repay only 50 per cent of their daily debts.

According to the Ministry's experts, the too low electric power tariff, which was set on January 1, 1994, is the major reason of the power industry's dire financial straits.

Ukrainian Power Plants' Set Capacities and Internal Power Consumption, as of 1 January 1994

Entities	Set capacities	Internal power consumption
Ukraine's national power system	Total—52.21; Including: FFP's—34.7, HEP's—4.7, NPP's—12.82	33.11
Associations Vinnitsaenergo	Total—3.57; Including: FFP's—1.84, HEP's—0.73, NPP's—1.00	2.25
Dneproenergo	Total—16.81; Including: FFP's—8.93, HEP's—2.88, NPP's—5.00	7.64
Donbassenergo	Total—12.96; Including: FFP's 12.96	7.66
Kievenergo	Total—6.76; Including: FFP's—3.72, HEP's—1.05, NPP's—2.00	4.62
Krymenergo	Total—0.375; Including: FFP's—0.375	1.3
Lvovenergo	Total—5.11; Including: FFP's—3.26, HEP's—0.032, NPP's—1.82	3.13
Odessaenergo	Total—3.36; Including: FFP's—0.35, HEP's—0.0035, NPP's—3.00	2.8
Kharkovenergo	Total—3.27; Including: FFP's—3.27, HEP's—0.0048	3.7

Ukraine's FFP's operate 104 power generating units including 8 of 720 to 800 MWe capacity, 42 of 282 to 300 MWe capacity, five power generating units of turbine capacity of 250 MWe, 43 turbines of 175 to 210 MWe and six turbines of 150 MWe capacity.

Presently, about a half of the above eight associations' power generating units have to remain idle, Mr. Turos disclosed.

Ukraine's Electric Power Consumption Break-Down in 1993

A total of 227.2 MWe was supplied to consumers in 1993, of which 16.8 MWe was used for internal consumption and 22.5 MWe was lost via heat emission by transmission lines. The remainder of 187.9 MWe (100 per cent) was utilized as follows:

Consumer categories	Power consumption, b. KWh	Per cent of total power consumption*
Industries, total	108.3	57.6
Including:		
Fuel industry	16.6	8.8
Metallurgical engineering	44.0	23.4
Chemical and Petrochemical industries	12.3	6.5
Engineering	16.3	8.7
Construction material		
Manufacture	4.9	2.6
Food industries	5.3	2.8
Other industries	8.9	4.8
Construction	2.0	1.1
Transport	12.1	6.4
Agriculture	18.4	9.8
Communal services and public utilities	20.2	10.8
Population, total	26.9	14.3
Including:		
Rural population	9.4	5.0

* Note: Percentage is given based on factually transmitted power

New Currency Introduced, Dollar Shoots Up

MK2505073394 Moscow NEZAVISIMAYA GAZETA in Russian 25 May 94 p 1

[Report by Aleksandr Pilat under the "In Brief" rubric: "The Grivna To Replace the Karbovanets"]

[Text] NEZAVISIMAYA GAZETA has learned from sources close to Ukraine government circles that a new monetary unit—the grivna—is being introduced on all the territory of Ukraine as of 25 (or possibly 26) May to replace the Ukrainian karbovanets-coupons. It is assumed that the rate of exchange is 100 karbovanets for one grivna. The dollar rate has shot up at Ukraine's exchange offices. Whereas one dollar could be bought for 47,000 karbovanets on 23 May, it cost more than 60,000 karbovanets and between 66,000 and 70,000 in Kiev, Lvov, and Crimea on 24 May.

Data on GNP, National Income Over First Quarter 1994

WS2405112494 Kiev UKRINFORM in English 1940 GMT 23 May 94

[From the "Business News Weekly" feature No. 21, 16-22 May 94]

[Text] Changes in Ukraine's GNP and national income in the January-April period of 1994, as compared with the respective period of 1993, are presented in the table below.

	GNP		Material Expenditures		National Income	
	Jan-Mar	Jan-Apr	Jan-Mar	Jan-Apr	Jan-Mar	Jan-Apr
National economy, total	65.2	65.3	66.0	65.8	63.9	64.5
Including:						
Industry	61.6	60.9	61.7	61.0	61.5	60.7
Agriculture	95.2	95.3	95.2	97.0	95.4	92.2
Construction	54.8	50.1	55.9	51.1	54.1	49.5
Transport and Communication	71.7	77.2	75.1	80.8	70.1	75.3
Circulation sphere	58.7	58.4	72.6	73.6	55.7	54.7

April reductions in GNP and national income corresponded to the averaged first quarter's figures of 35 per cent and 36 per cent, respectively.

(the above data were furnished in the two periods' comparable prices, expressed as percentage ratios).

Belarus

Official Says Belarus in No Hurry To Join NATO's PFP

LD2405180694 Moscow INTERFAX in English 1617 GMT 24 May 94

[Text] Belarusian Deputy Foreign Minister Petr Belyayev announced that his republic's possible participation in NATO's Partnership for Peace [PFP] program would not be analyzed before presidential elections and the autumn parliamentary session.

In his opinion, politically, Belarus was ready to join this project, and had informed the NATO leadership.

In an interview with INTERFAX, Belyayev said that the search for his republic's possible participation in NATO's program was very difficult, because Belarus had not yet reorganized its armed forces due to the deteriorating economic situation.

Belarus must not hasten to join the Partnership for Peace program, because it was faced with many problems in conventional and strategic disarmament.

Russia Owed 6 Trillion Belarusian Rubles for Fuel

LD2405134094 Moscow ITAR-TASS in English 1314 GMT 24 May 94

[Report by BELINFORM correspondent Yekaterina Vysotskaya for TASS]

[Text] Minsk 24 May TASS—As of today the Republic of Belarus has to pay six trillion Belarusian roubles to Russia for fuel resources it has already used. But energy consumers alone owe one trillion 200 billion, and 4.2 trillion hang in mid-air.

Commenting on the situation, National Bank of Belarus Board of Directors Chairman Stanislav Bogdankevich said: "We bought it cheap, sold cheap, and are living well. All this for the sake of supporting industry, in order to reduce the cost of production. But this has led us into a blind alley, because if the consumption of power is not cut down, and one has to pay, then after all it must be recovered from someone."

The chief treasurer of the republic noted that an idea is already wandering, according to which the national bank will have to "create out of air" 4 trillion and pay up. "But the way this question is formulated is devoid of common sense," he emphasised.

Deputies Call for UN 'Evaluation' of Monetary Merger

WS2405135794 Minsk BELAPAN in Belarusian 1230 GMT 24 May 94

[Text] A group of people's deputies from the Belarusian Social Democratic Assembly faction in the Supreme Soviet has addressed Matthew Kahane, UN permanent representative to the Republic of Belarus, with a letter regarding the violation of the Belarusian Constitution by Prime Minister Vyachaslaw Kebich. In particular, the letter broaches the agreement on monetary merger between Belarus and Russia, which was signed by the prime minister. "Mr. Kebich, resting upon those forces in the Supreme Soviet, which allow themselves to grossly violate the state constitutional system, attempts to incorporate Belarus into the Russian Federation by an unconstitutional means," the letter reads. "We are also astonished by the position of the Russian Government, a permanent member of the UN Security Council, which signed the agreement contradicting the Belarusian Constitution." The authors of the letter express their assurance that the international community is not interested in destabilizing the situation and maintaining Russian nuclear weapons in the center of Europe; therefore, the United Nations will give a legal evaluation of the above mentioned agreement as well as the resolution on the holding of presidential elections in May-June 1994.

Premier Says Central Bank Will Stay Independent

MK2105070594 Moscow SEGODNYA in Russian, 21 May 94, p 1

[POSTFACTUM report: "Belorussia's National Bank Is Not To Be Put Under Central Bank Of Russia"]

[Text] "Our parliament will not have to amend the Constitution," the prime minister of Belorussia [Belarus] stated yesterday. "I have agreed with the leadership of Russia on cutting from the text of the treaty Article 5 (on making the National Bank of Belorussia a branch of the Central Bank of Russia)," he pointed out. In the Belorussian Council of Minister they declined to either confirm or deny the prime minister's claims.

National Currency Valid Prior to 'Actual' Monetary Merger

WS2405115794 Minsk Radio Minsk Network in Belarusian 1000 GMT 24 May 94

[Text] Beginning 1 June and prior to the actual unification of monetary systems of Belarus and Russia, all settlements on the territory of Belarus will be implemented in Belarusian rubles. A resolution of the Board of the Belarusian National Bank on this issue indicates that such a step is prompted by the length of the interim period in the unification of monetary systems of both states. An official exchange rate will be introduced for the Russian ruble, by which Belarusian banks and other economic entities should be guided.

National Bank Declares 'Little Hare' Only Legal Currency

LD2405180994 Moscow INTERFAX in English 1706 GMT 24 May 94

[Text] The National Bank of Belarus (NBB) has declared the Belarusian payment coupon (nicknamed "zaichik", or "little hare") the only legal tender in the Republic from 1 June until the moment the agreement on monetary unification with Russia comes into force.

The NBB told INTERFAX that it had made the decision "in view of the amount of time it is taking to unify the monetary systems of Russia and Belarus and the fact that the current state of confusion regarding payments cannot be allowed to continue." According to the NBB decision, all accounting in Belarus will be carried out only in the payment coupons until the monetary union officially takes place and all commercial organizations must convert their assets from Russian rubles to "zaichiki" at the official NBB exchange rate (10.5 to the Russian rubles on 24 May) within the shortest period of time.

The NBB will set a special exchange rate every week for operations not involving trade and charges for services (especially transport and communications).

Monetary Merger With Russia Depends on Election Outcome

LD2505104194 Moscow Ostankino Television First Channel Network in Russian 0800 GMT 25 May 94

[From the "Novosti" newscast]

[Text] Vyacheslav Kebich, chairman of the Belarus council of ministers, has said in an IMA-Press interview that the fate of the treaty on a merger of the Republic's monetary system with that of Russia entirely depends on the outcome of Belarus's first presidential elections.

During his working visit to Grodno, Kebich also revealed the size of the loan granted by Russia to Minsk. It was 200 billion rubles. The prime minister stressed that it would allow the Republic to reduce its debt for gas and other fuels.

Front Urges Withdrawal of Candidates on Paznyak's Behalf

WS2305120194 Minsk DOBRY VECHAR in Belarusian 18 May 94 p 1

[Report by Lyudmila Klaskowskaya: "Belarusian Popular Front Calls for Unification of Democratic Forces During Election Campaign"]

[Text] The Belarusian Popular Front [BNF] has held a news conference, during, which a statement by the BNF Secretariat was publicized. The statement, in particular, notes that Zyanon Paznyak, a presidential candidate put forward by the BNF, collected the largest number of supporting signatures among those candidates who did not utilize the state apparatus in collecting them. In the opinion of BNF leaders, this testifies to the fact that Zyanon Paznyak is the most realistic contender for the presidential post among democratically oriented candidates.

The BNF calls for the unification of democratic forces during the election campaign, the organizers of the news conference agreed. However, they expressed an apprehension that a likely dispersion of votes among candidates of democratic orientation can lead to the victory of pro-Communist forces. "Therefore, we appeal to all those candidates who regard themselves as democrats and to their supporting teams to consider a possible withdrawal of their candidacies on behalf of the most realistic contender," the statement notes. According to the BNF leadership, such a step can encourage unity and the future victory of Belarusian democratic forces.

Talks Set Terms for Russian Use of Military Facilities

WS2505080794 Minsk Radio Minsk Network in Belarusian 0300 GMT 25 May 94

[Text] The next round of Russian-Belarusian talks on the issues of military cooperation has ended in Minsk. According to Veniyamin Popov, head of the Russian delegation, Russia will be given the possibility to use the radio station in Vileyka even after the completion of strategic forces' withdrawal from Belarus. In addition, the construction of a missile warning radar system near Baranovichi will be completed. This facility will also remain on Belarusian territory after the year of 2000 and will operate in the interests of all the countries which are the members to the treaty on collective security.

Moldova

Snegur, Lucinschi Meet Gagauz Representatives

AU2405192194 Chisinau BASAPRESS in English 1750 GMT 23 May 94

[Text] Chisinau BASAPRESS, 23/5/1994—Today, 23 May, President Mircea Snegur and Speaker Petru Lucinschi conferred with leaders of the districts densely inhabited by Gagauzians, states a presidential press service communique. They discussed the draft law on special juridical status for these districts. "The sides examined in detail all difficulties taking into consideration the analysis representatives. They discussed especially the controversial issues and proposed compromise solutions that could be accepted by the vast majority of the Moldovan population. The solutions are founded on political methods and experience of the international organizations," says the government and Parliament, says the communique.

Discuss Reform Process

AU2405192094 Chisinau BASAPRESS in English 1750 GMT 23 May 94

[Text] Chisinau BASAPRESS, 23/5/1994—"We are aware that the responsibility for a successful implementation of economic reforms was assumed by the top leadership and first of all by the head of state which accepted us as co-authors of the reform program," declared today at a meeting with President Snegur the vice-president of the World Bank (WB), Welfred Thaiwitz, reports a presidential press service communique. The WB will continue to support financially reforms in Moldova. The WB experts say that some progress has already been registered: stability of national currency and decrease in the inflation rates. President Snegur welcomed the WB's idea of opening a permanent mission in Moldova and expressed his hope that the latter, together with the IMF, will contribute to economic recovery. Snegur mentioned two aspects of major importance for a successful implementation of reforms—political stability and rapid privatization of state property. It was specified that the Ministry of Privatization, which was recently created, was meant to serve as a catalyst for the process, to make it consistent and irreversible, says the press communique.

Socialist Leader Criticizes Snegur for Joining PDAM

AU2405185594 Chisinau BASAPRESS in English 1750 GMT 23 May 94

[Text] Chisinau BASAPRESS, 23/5/1994—President Mircea Snegur's decision to join the governing party, the Agrarian Democratic Party of Moldova [PDAM], reveals unsteadiness in his political views, declared to BASA Valentin Krylov, a leader of the Socialist Party. According to Krylov, previously, President Snegur declared that the president should be above any party's interests. "It might seem that the president has changed his political views, thought it is possible that he follows two objectives: to give more strength to the PDAM before local elections and to prepare to run as an agrarian for President in 1996, which are expected to be multiparty," said Krylov, mentioning that "today it is not too early to consider the next presidential elections and the PDAM will gain much strength from Snegur's membership."

Government's Program Aims To Halt Economic 'Decline'

AU2405191994 Chisinau BASAPRESS in English 1750 GMT 23 May 94

[Text] Chisinau BASAPRESS, 23/5/1994—The Draft Program on Governmental Activity for 1994-97, which was examined last week by the government, confirms Moldovan authorities' commitment to reforms. "To stop the decline and achieve an economic growth is our purpose," stated Premier Andrei Sangheli, adding that the program will lay special stress on social protection; that is, it will not sacrifice population's living standards in the name of reforms. On the other hand, the government says the program aims at "assuring a qualitative leap in the transition to a market economy." The program aims to create an economy with two sectors—state and private—which will have as foundation "the rational combination of state regulation and the creation of a favorable environment for developing market economy relations." An important part of the new government's strategy for 1994-95 is to transform all state enterprises into joint-stock companies with the state controlling a majority of shares of the strategically important enterprises to accelerate privatization. In 1994, about 1,600 state enterprises will be privatized. It is clear that if privatization will be efficiently and swiftly carried out, the government will have to revise the reform program. According to some experts, a failure might aggravate the situation, thus destroying any chance to improve the Moldovan economy. Ion Gutu, chairman of the Governmental Commission for Economic Reforms, stated that "the start of the real privatization process which stagnated during recent months is an important task included in the Draft Program on Governmental activity for 1994-97." This statement and government's haste to make decisions display Moldovan officials' intention to give reform another "speed." The government will have to face the realities that press upon the Moldovan economy. The aggravating financial blockage provoked by the unpaid salaries has discouraging effects. The statements made by the deputy head of the Gasification Department Mihai Lesnic that "Moldova's debts for natural gas supply from Russia stands at 257.7 billion rubles ($163.6 million)" is quite a waning. According to the 5 May agreement signed between Moldova Vice Premier Valentin Cunev and the GAZPROM gas company in Moscow, Moldova has to pay its debts by 15 June. This seems to be implausible taking into account that only 8 percent of all debts have been paid to date. GAZPROM's stipulations that future supplies, beginning 1 June, must be paid in advance could have catastrophic consequences for an economy that cannot guarantee energy necessities. In the last months Moldova's debts toward Russian gas suppliers has increased by about $100 million. Meanwhile, the salary arrears tend to increase and exceeded in agriculture more than 90 million lei despite the government's intention to liquidate all debts. In this situation, the government will have to deal more with the most stringent problems; otherwise, they might undermine the elaboration of long-term programs.

Kazakhstan

Russian Official Arrives To Discuss Citizenship Issue

LD2405134494 Moscow Russian Television Network in Russian 1200 GMT 24 May 94

[Report by correspondent A. Kondrashov]

[Excerpt] Abdulat Mikitayev, chairman of the Commission on Issues of Citizenship under the Russian president, has arrived in Almaty. He will meet republican leaders and tour regions where Russians are worried about their future citizenship.

Speaking at a press conference, Mikitayev announced that the Russian and Kazakhstan Foreign Ministries were drawing up a comprehensive agreement on migration, the protection of rights of citizens of both states, and a simplified procedure for applying for the Russian citizenship in Kazakhstan. It will be based on the memorandum which was signed by Presidents Yeltsin and Nazarbayev. [passage omitted]

Nazarbayev Spokesman on 'Unfair' Eurasian Union Discussions

LD2405172794 Moscow INTERFAX in English 1508 GMT 24 May 94

[From the "Presidential Bulletin" feature]

[Text] President Nursultan Nazarbayev's idea of a Eurasian Union has become the subject of unfair political discussions, his spokesman Nurlan Danenov said.

In a statement in Alma-Ata [Almaty], he accused some of the media of trying to capitalize on differing approaches to the concept by CIS leaders by driving a wedge between them.

"I do not think they will succeed, but they may certainly create a nasty background for some time. No doubt, this plays into someone's hands", the spokesman said.

Danenov expressed surprise at media reports saying Nazarbayev had already taken the idea off the agenda.

He said "since it has never been put forward for formal discussions, the idea cannot be taken of the agenda." The spokesman ceded that there could be a mixed response to the concept both in and outside the Republic.

Danenov mentioned that the emergence of the Eurasian Union concept followed the unsatisfactory state of affairs within the Commonwealth. He said that many had overlooked the possibility of forming a union by more promising CIS member states as a strategic line at promoting more productive links between other republics of the former Soviet Union. "But there could be no question of reinstating the former Soviet Union or some kind of a confederation," the spokesman said. Nazarbayev does not believe that the CIS had run out of its potential as the instrument for a civilized parting of ways after the break up of the Soviet empire, he said.

Danenov pointed to the significance of a three-nation agreement (Kazakhstan, Uzbekistan and Kyrgyzstan) to set up a common economic area describing it as a new stage in CIS economic cooperation. He said the treaty which was open for other states to join "has laid down the cornerstone of a new and more effective entity within the Commonwealth." The spokesman went on to say that the three Central Asian presidents at last month's meeting on the shores of the Issyk Kul Lake had stressed the need for further searches of new forms and shapes of CIS cooperation.

IF Note: Nazarbayev and his Uzbek and Kyrgyz counterparts Islam Karimov and Askar Akayev are said to have agreed not to raise the question of a Eurasian Union focusing on greater cooperation between their countries instead. Unlike Akayev who threw weight behind the EAU [Eurasian Union] idea, Karimov made it clear on several occasions that he was sceptical about it. However, all of them agreed that the latest tripartite agreement was a new stage in the promotion of CIS cooperation.

Both Karimov and Nazarbayev reiterated this during the opening of Kazakh Days in Tashkent. They said the three-nation deal would be to the benefit of their economies as it opened up unlimited opportunities for cooperation between entrepreneurs and direct contacts between plants and industrial sectors. Nazarbayev said the idea of lifting all trade barriers between CIS states had first emerged during his talks with President Karimov in Tashkent in January. The Kazakh leader stressed that other CIS states could benefit from the experience the two countries had gained since.

Kyrgyzstan

President Akayev Views Market Economy, Democratic Progress

LD2405175794 Moscow INTERFAX in English 1708 GMT 24 May 94

[Text] Kyrgyzstan has already been through the first and the most difficult stage on its way to democracy and market economy, Kyrgyz President Askar Akayev said in an interview with INTERFAX today.

He stressed that entrepreneurship was developing in Kyrgyzstan and that a class of entrepreneurs had appeared in the Republic. Akayev pointed out that the larger this class the more stable the Kyrgyz community would be.

However, Akayev admitted that the society in the Republic was quickly being divided into the rich and the poor. That is why the state policy must concentrate on social security, Akayev remarked. He announced that the World Bank would allot from $40 million to $60 million for support of the social sphere.

Akayev said that the state treasury was failing to collect all due taxes. He considered this to be one of the main problems in the Republic. In 1993 all taxes collected amounted to 14 percent of GNP. "As a result we cannot pay people their salaries and pensions and cannot finance urgent social and economic programs, Akayev pointed out.

However, he added that Kyrgyzstan had the lowest inflation rate in the CIS (4.9 percent in April). He said this had become possible due to the tough monetary credit policy pursued by the National Bank and to the support of the IMF and the World Bank.

Armenia

Foreign Ministry Welcomes NATO Partnership for Peace Plan

NC2405123594 Yerevan SNARK in English 1059 GMT 24 May 94

[Text] Yerevan, 24 May (SNARK)—Armenia greets the "Partnership for Peace" program NATO is conducting, Aram Safaryan, press secretary of the Armenian Ministry of Foreign Affairs, told journalists at today's briefing.

"We are at the stage of studying and specifying some technical questions connected with the program," Mr. Safaryan mentioned. He also said that just after the corresponding discussions and consultations Armenia will, probably, join the program.

Foreign Minister Could Meet Cetin at Jun NATO Meeting

NC2405123494 Yerevan SNARK in English 1059 GMT 24 May 94

[Text] Yerevan, 24 May (SNARK)—Vahan Papazyan, Minister of Foreign Affairs of Armenia, will participate in the meeting of Foreign Affairs Ministers of the NATO members. The meeting will take place in Istanbul, in the first 10-day period of June 1994.

Speaking to SNARK Aram Safaryan, press secretary of the Armenian Foreign Affairs Department, doesn't exclude the possibility of Vahan Papazyan's meeting with the Turkish Foreign Affairs Minister Hikmet Cetin.

Official Says Yerevan Positive Toward Partnership for Peace

LD2405220094 Moscow ITAR-TASS World Service in Russian 1627 GMT 24 May 94

[Report by ITAR-TASS correspondent Tigran Liloyan]

[Text] Yerevan, 24 May—On the whole, Armenia's attitude toward the Partnership for Peace document, which has been put forward by NATO is a positive one, an official spokesman of Armenia's Foreign Ministry said today. It is recognized in Yerevan that this document is aimed at developing cooperation and creating conditions for strengthening confidence measures on the continent of Europe, Aram Safaryan, press secretary of Armenia's Foreign Ministry said at a briefing here. At the same time he stressed that the NATO document needed further consultations within the framework of the North Atlantic Cooperation Council. These were made necessary by a number of circumstances, including the situation in the Transcaucasus.

The spokesman of Armenia's Foreign Ministry stressed the Republic's constructive and many-sided involvement in the activity of the North Atlantic Cooperation Council. He recalled that Armenia's Foreign Minister Vagan Papazyan is going to take part in the meeting of heads of the foreign policy departments of the member countries of the North Atlantic Cooperation Council, which is due to take place in Istanbul at the beginning of June.

Karabakh 'Calm'; Azerbaijani Shelling Since 22 May Seen

NC2405124894 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0822 GMT 24 May 94

[Text] Stepanakert ("AZG" daily), 05/24/94—The situation at the Karabakh fronts is unchanged. Though both Karabakh and the Azeri side refrain from active military operations, the enemy continues shelling the Karabakh defense positions at different sections of the front.

According to the headquarters of the RMK [Republic of Mountainous Karabakh] Defense Army, the Karabakh defense positions at the village of Gyullija in the Agdam district were shelled by tanks on 22 May. At the same time, the enemy shelled the positions at the village of Seisulan in the Mardakertskiy district, using mortars. No victims are reported. The general situation was the same on 23 May. A relative calmness established at the eastern fronts, in the Mardakertskiy, Agdamskiy, and Fizulinksiy districts. Minor shellings have been reported, the Karabakh side refrained from returning the fire.

Azerbaijan

Aliyev Speaks on Islamic Festival Day

NC2305204694 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1630 GMT 21 May 94

[Speech by President Aliyev during a meeting with refugees on the occasion of the Islamic Festival of Sacrifice in Baku on 21 May—recorded]

[Excerpts] Esteemed sisters, brothers, and citizens from Shusha, Khodzhaly, Malybeyli, Lachin, and Karabakh, which is a beautiful part of our country: I congratulate you and the people of Azerbaijan on the occasion of the Festival of Sacrifice. I wish you and the people of the Republic happiness and an auspicious future. [passage omitted]

The religious festivals are auspicious and happy occasions for the people. However, our people are in a very difficult situation at the present time. Azerbaijan has been subjected to Armenia's military aggression for six years now. It has been forced to fight to safeguard its territory. A serious situation exists in the Republic. Azerbaijan's brave and heroic sons have been martyred while trying to defend our territory. Our refugee sisters, brothers, and sons from Shusha, Lachin, Khodzhaly, and Malybeyli have met here today. They prove that our people are in a difficult situation. However, they are optimistic. They have never bowed their heads. They have never yielded. That being the case, we have not forgotten our traditions and customs even at this serious time and we have moved to celebrate the Festival of Sacrifice.

Undoubtedly, marking the occasion in prosperity and security is impossible. We are all aware of that state of affairs. However, we all feel happy and optimistic on this day. That is why I have come here to meet you. That is why I have come here to meet the people who have suffered most in Azerbaijan.

I repeat that you have suffered significantly. You have been forced to abandon your homes and places of birth during the past two years. You have lost the property you inherited from your forefathers. You have martyrs in your families. I am well aware of the fact that each and every family in this gathering has missing persons and martyrs. All the families are grieving. However, you must rest assured that each and every patriotic citizen of Azerbaijan shares your grief. I have congratulated you on the occasion of the Festival of Sacrifice. Nevertheless, my heart is full of grief. I share your grief. I have been elected president through the people's will. That means that I have to grieve more than anyone else. Rest assured that I do.

I have put my hope in you and the people of Azerbaijan. You must rest assured that I shall spare no effort in the struggle I wage to fulfill your expectations and those of all the people.

On the occasion of the Festival of Sacrifice, I commemorate our sons, sisters, and brothers who have sacrificed their lives for the defense of Azerbaijan's territorial integrity and independence. I wish to reiterate that their heroic services will never be forgotten. We shall cherish their memory in our hearts forever. Through their heroic services and martyrdom, they have become an everlasting monument. I call upon you to observe silence for one minute to commemorate those who fell to become martyrs while defending our homeland. [silence observed for one minute]

God bless their souls. God give patience to their families, sisters, and sons. I pray that God also give you patience and protect you. I wish to reiterate that the blood of the martyrs will be avenged. Azerbaijan's people will maintain the struggle that the martyrs waged. They will reestablish Azerbaijan's territorial integrity. [applause]

We are well aware that you are in a serious situation. You have been living as refugees during the past two years. You have found a place to live in the recreation buildings in this place, which were constructed in the past. I am aware that they are not spacious. However, we are all aware that the majority of those who have recently become refugees are now living in tents and places that are even worse. They are living in tents in Imishlinskiy, Sabirabadskiy, Agdzhabedinskiy, and other rayons.

It is common knowledge that Azerbaijan has lost 20 percent of its territory in the war, which has continued for six years. This territory has been occupied by the Armenian military forces. It is common knowledge that more than one million citizens from Shusha, Malybeyli, Khodzhaly, Lachin, Kelbadzhar, and other towns and cities in Daghlyk Karabakh have become refugees during that period. We have been taking measures under very difficult conditions to help them. Considering your problems, I wish to inform you that I greatly appreciate your steadfast resistance and patience. Thank you for maintaining your steadfast nature. Thank you for enduring the tragic situation, which applies to all the people. That is a unique aspect of the Republic's people. [passage omitted]

The difficult times will pass and Azerbaijan's people will have a happy and prosperous life in their independent country in the future. I have confidence in that and I wish to assure you that the state, the government organs, and the president will spare no effort to achieve that objective. [applause]

I wish to take advantage of this meeting to convey my views on the recent developments and the situation in our Republic. It is common knowledge that Armenia has consistently maintained its military aggression against Azerbaijan over the past few years. Consequently, we have lost a part of our territory. Several measures have been taken since my return from Nakhichevan to Azerbaijan to establish the Azerbaijan Armed Forces and other conditions needed for the defense of our republic. Several measures have been taken to enable Azerbaijan to adopt a policy on the war with Armenia and the developments in the world, that is, a policy in line with the people's interests.

You are well-aware of those measures. Most probably, you are also aware of the war, the political developments in the Republic, the struggle waged by various groups for power, and the activities of individual people against the general population's interests significantly curtailed Azerbaijan's potential in the economic, intellectual, cultural, and social fields over the past few years. You will remember that several people at this gathering reminded me that in the past we have met in Shusha and in the cemetery at Baku. One of them told me that I had presented the order of merit to her. But, those were different occasions. Our people had a comfortable and prosperous life at the time. Please remember the work we carried out to renovate Shusha in the 1970's. [passage omitted lauding past renovation and construction work]

We have taken measures to enable Azerbaijan to end the war. In addition, we have taken measures to establish and strengthen the Azerbaijani Army and set up our defense positions. We have taken political measures to find a peaceful solution to the war. We have conferred with influential countries, and tried to use various opportunities to benefit from international organizations. Meanwhile, we have consolidated our military strength, reactivated our economic potential to a certain extent, and upgraded our foreign policy. Furthermore, we have made an effort to use political measures to end the war and remove the problems of the people. I wish to inform you that the measures we have taken and the work we have done have yielded results and will continue to do so in the future.

You are well-aware of the situation of our military forces in the past. It was not that we did not have an army, however the military units were [words indistinct]. The people of Shusha, Khodzhaly, and Daghlyk Karabakh are well-aware of that state of affairs. We made efforts to establish a regular army and have achieved significant success. We now have a regular army. You are well-aware that our military forces launched attacks against the Armenian Armed Forces over the past few months, particularly after October and November 1993. As a result of those attacks, we reclaimed a part of the occupied territories. Consequently, Azerbaijan's military forces proved their high capability to the entire world. The Armenians and the Armenian Armed Forces realized that as well. The Armenian military units were forced to withdraw. That is only a part of the outcome of our work.

However, we are well-aware that the war will lead to more tragic situations if it is allowed to continue for another three or five years. With that in mind, we wish to end the war. We wish to find a peaceful solution to the dispute. That can be achieved only through talks. Your sons must not be killed. That can be prevented only through talks. We have held talks from time to time.

You are well-aware that the dispute on Daghlyk Karabakh has a significant place in the policies of all the world's countries. Each and every country in the world has expressed its opinion on the Daghlyk Karabakh dispute. Regrettably, Azerbaijan maintained a weak policy and failed to put its weight down in international platforms over the past few years. Furthermore, the officials responsible for Azerbaijan's policy were unsuccessful. Consequently, the influential countries, mainly the European countries and the United States, were convinced that Azerbaijan had to be blamed and that the Armenians in Daghlyk Karabakh were deprived of their rights. International opinion has supported the Armenian side. That is a fact. Maybe you may not be aware of that state of affairs, however we are well-aware of the situation. Those who were involved in politics in the past, and those who have currently appeared on the scene claiming to be politicians, are also well-aware of that state of affairs. Consequently, we have made efforts over the past few months to end the war by finding a peaceful solution to the dispute, but on the condition that the occupied territories are returned to the Republic. Then, Azerbaijan's territorial integrity would be restored, and the non-violation of the Republic's borders is observed. However, you must realize that achieving all that is not easy.

The general view of international platforms and organizations has been against Azerbaijan. Our territories have been occupied as a result of the inefficiency and treachery of those who were responsible for Azerbaijan's future. Undoubtedly, all that has created very serious problems for us, and during the talks we have had to find a peaceful solution to the problem. Many countries around the world support Armenia. Meanwhile, we have been unable to remove the Armenian military forces from our territories. Consequently, the Armenian side has put forward conditions in the talks. Can you realize how serious and difficult that situation is? A wise and well-considered policy has to be maintained. Yes, that is the kind of policy we are trying to maintain.

You are well aware that Azerbaijan's relations with Russia have deteriorated significantly during the past few years. Obviously, an organization that called itself the Azerbaijan Popular Front but that failed to concern itself with the people's problems created a very unfavorable situation between Azerbaijan and Russia. The question of international politics is a complex matter. No country in the world, including small countries, must avoid maintaining a realistic approach. How can Azerbaijan, which recently achieved its independence but is still unable to stand on its feet as an independent country, allow itself to maintain a state of discord with a great country like Russia? Is that possible? Anyway, there is no reason for that. Azerbaijan has been influenced by Russia for 200 years. Whether we like it or not, that is a historic fact. Many kinds of relations were established between Azerbaijan and Russia in those years, including humanitarian, economic, scientific, and technical relations. How can those relations be destroyed? How can more than one million Azerbaijani people in Russia be ignored? How can we force a great country to be an enemy of Azerbaijan? That is absurd.

In view of that, we made an effort to normalize Azerbaijan's relations with Russia. I am convinced that we have succeeded. Azerbaijan's relations with Russia are at a very favorable level at the present time. We have established friendly relations. That must be the situation in the future. Each and every independent country should have friends in the world. Neighboring countries should be friendly, not hostile. That is what we have tried to achieve. Furthermore, it is common knowledge that we have joined the CIS. That was very essential. All that has created a significant basis for a peaceful solution to the war between Azerbaijan and Armenia.

Meanwhile, we have made an effort to establish close relations with other countries. For example, we have traditional, friendly, and fraternal relations with Turkey. We are maintaining our friendly and fraternal relations. It is common knowledge that I have visited that country and signed important agreements. We have very sincere relations with the top officials in Turkey.

Iran is a close neighbor. Millions of Azerbaijani people live in that country. We have had close relations with that country for many centuries. However, the policy that was maintained until recently disrupted the relations between Azerbaijan and Iran. That country became our enemy. Nevertheless, we rectified that situation. President Hashemi-Rafsanjani visited Azerbaijan and signed several agreements. Consequently, our economic, humanitarian, and cultural relations are developing in a very favorable way at the present time.

We have also made an effort to improve our relations with the influential countries in the world. The United States is a great country. It has a significant influence on international politics. A very chilled atmosphere prevailed in Azerbaijan's relations with the United States in the past. We improved that state of affairs and I am convinced that the effort we have made has yielded positive results. You will recall that the U.S. Congress adopted an unjust resolution against Azerbaijan in September 1992. That was because of unwise policies and the inactivity of Azerbaijan's leading officials at the time. The resolution banned any U.S. aid to Azerbaijan in accordance with Article 9/7 [as heard] of the U.S. law on freedom because Azerbaijan supposedly blockaded Armenia. The U.S. Congress adopted that resolution, which created a significant precipice between Azerbaijan and that country two years ago.

Azerbaijan's relations with Russia and the United States deteriorated in the past. Had the officials—who supposedly governed Azerbaijan in the past and who now claim that they are great politicians—maintained a wise policy, Azerbaijan's relations with Russia, Iran, and the United States would not have been disrupted and the U.S. congress would not have adopted that resolution.

We have carried out significant work in that direction. I have held talks with U.S. officials who have visited Azerbaijan several times. We also maintain contact with U.S. officials through other means.

I can also inform you that President Clinton sent a letter to me a month ago. It indicated a positive shift in the U.S. approach toward Azerbaijan. President Clinton described the resolution, which banned any U.S. aid to Azerbaijan, as an unjust decision. That was the first time he did so. Furthermore, he informed me that he will work to have the Congress cancel that resolution. Considering Azerbaijan's present situation, I am convinced that this move is a very appreciated step by President Clinton.

President Clinton also conveyed a congratulatory message to me on the occasion of the Festival of Sacrifice on 17 May. I believe that the meaning of that message is important from two aspects. First, it indicates that the United States is aware of our national and religious festivals. President Clinton has congratulated Azerbaijan's people through me on the occasion of this festival. Second, it indicates that President Clinton appreciates Azerbaijan's efforts to find a peaceful solution to the Daghlyk Karabakh dispute, particularly within the CSCE framework. In fact, he has said that the U.S. Administration will also work on the matter.

Those two aspects indicate that the talks we have had with the United States within the framework of our foreign policy have yielded positive results. A large U.S. delegation arrived in Azerbaijan on 15 May. We held very fruitful talks with those officials.

Furthermore, you are aware that I visited France at the invitation of President Mitterrand, Britain at the invitation of Prime Minister John Major, and the PRC at the invitation of President Jiang Zemin. Very useful work was carried out during my visits. The UN Security Council has five permanent members. They are the United States, Russia, Britain, France, and the PRC. I have held talks with the leaders of four of those countries. You are aware that I have held talks with President Boris Yeltsin several times. I met with the leading officials of France, Britain, and the PRC during my visits. Our independent Republic signed very important agreements with them. Can you imagine, a new and independent Republic like Azerbaijan has established close relations with several countries that influence international politics. Official visits have taken place and fruitful agreements have been signed. All this has given Azerbaijan publicity in the international community. Unfortunately, we have had many problems in connection with that matter in the past. Meanwhile, Azerbaijan's position in the world has strengthened. A significant opportunity has been created to remove the serious situation in our Republic.

However, that is not all the details of our foreign policy. But I do not wish to give you detailed information on it. My intention is to express my opinion and focus only on the need to find a peaceful way to end the war between Azerbaijan and Armenia. I am convinced that we have to strengthen our defense forces and consolidate our capability to defend ourselves. Meanwhile, we must also use all the existing opportunities. For example, we are holding talks with Russia, the United States, and Turkey on the matter. We are also in constant touch with the UN Security Council and the CSCE. We are making a very serious effort.

I have realized the importance of the CSCE's effort to find a peaceful solution to the war between Azerbaijan and Armenia ever since I took office as president. In view of that, we have cooperated with that organization. The Minsk Group, which is made up of nine countries, is affiliated with the CSCE. I have been constantly in touch with its chairman. The CSCE Minsk Group used to be headed by Mario Raffaelli. It is now headed by Mr. Jan Eliasson. I have held talks with Mr. Eliasson and his delegations in Azerbaijan several times. I have explained Azerbaijan's position to them for hours and days. Yes, I have worked to have the CSCE play the main role in the effort made to resolve the dispute. I will continue to work in that direction in the future.

Mr. Eliasson recently visited Azerbaijan. We held talks and agreed that the CSCE should make initiatives for a cease-fire. We also agreed that measures should be taken later for the signing of a cease-fire agreement to end the war. Naturally, Mr. Eliasson also cooperates with Armenia and Russia. He disclosed in our latest talks that the problem should be resolved within the CSCE framework. However, he also said that Russia should play a special role. That was his proposal. I wish to inform you that Russia has made an effort to mediate for the solution of the problem. We have not objected to that. On the contrary, we have tried to benefit from that approach. We have to use each and every opportunity. So, we have approved the joint effort by the CSCE and Russia. That was proposed by the CSCE. It was proposed by Jan Eliasson, chairman of the CSCE Minsk Group.

Meanwhile, we have taken a step to promote our work in the international community. You are aware of the existence of NATO. [passage omitted]

The heads of state in that organization convened in Brussels and approved a program to create the conditions required by the former Warsaw Pact countries, which have now become independent, to join NATO. They adopted the program on partnership for peace and disclosed that the countries that have recently become independent may join it. We considered the matter and decided that Azerbaijan will strengthen its position in the world if it joins that program. Therefore, we made a decision and I traveled to Brussels, which hosts NATO Headquarters. I addressed a meeting in that headquarters and disclosed that Azerbaijan is prepared to join the program on partnership for peace. In fact, I signed that program. Four CIS countries have signed that program; Azerbaijan is the fourth. The remaining CIS members have not signed it. I am convinced that Azerbaijan's decision to sign that program was right politically and diplomatically. Furthermore, it was a daring step.

I was informed by a CSCE representative in Brussels that Russia and the CIS must join the effort that is made to resolve the Daghlyk Karabakh dispute and find a peaceful way to end the war between Armenia and Azerbaijan. He said that the CSCE believes that it must carry out joint work with Russia and the CIS. I responded by saying that we shall support that approach, since the CSCE is in favor of it. The important thing to us is to end the war. Azerbaijan will not object to a CSCE move to cooperate with a foreign country to end the war.

So, a new formula was drawn up. Jan Eliasson arrived in Baku on the basis of that formula on 13 May. He presented a draft agreement for a cease-fire. The draft also called for the consolidation of the cease-fire regime. We had made several initiatives for a cease-fire. For example, we proposed a cease-fire through Russia's mediation on 28 April. However, Armenia objected to it. Later, we maintained our initiatives for the same purpose. They, too, were rejected by Armenia. The interparliamentary assembly convened in Bishkek on 5 May. The Daghlyk Karabakh dispute was discussed in that convocation. Afiyettin Dzhelilov headed Azerbaijan's delegation to that meeting. We gave instructions to him on various issues. We informed him that we had to attend that meeting and hold talks with the other participants. However, we instructed him that Azerbaijan must not sign any document without the approval of its president. We dispatched Dzhelilov to Bishkek with that instruction. He acted accordingly. A document was placed on the table. He said that he was not able to sign it. Later, we studied the document. It contained a provision for a cease-fire. Consequently, he decided that Azerbaijan should sign it. Chairman of the National Assembly Rasul Guliyev signed the document with our approval on 8 May. A cease-fire began on 10 May. Exchanges of fire have not taken place since that day.

The objective of Azerbaijan signing the Bishkek protocol was to have a cease-fire. We have achieved our objective. That was the right thing to do. Meanwhile, we held talks with Jan Eliasson. He submitted a draft document for the consolidation of the cease-fire regime on 13 May. We were satisfied with it and we suggested that he should consult with Armenia. He visited Armenia. The Armenian officials made some changes in the draft document in accordance with their views. Eliasson returned to Baku on 16 May. The defense ministers of Russia, Azerbaijan, and Armenia held a meeting in Moscow at the time. Yes, an initiative was made for such a meeting and we had agreed to it. I wish to reiterate that we have tried to use every opportunity. The defense ministers met in Moscow for two or three days. Russia's defense minister held a press conference on 16 May. He disclosed without Azerbaijan's approval that Russia's peacekeeping forces will be deployed as observers in areas between Azerbaijan and Armenia. He also disclosed that a few battalions, that is, some 1,800 men, will be dispatched to the region. Later, he urged Azerbaijan to sign a protocol on that matter.

However, considering that such a protocol would be inappropriate for Azerbaijan, I instructed the Republic's defense minister not to sign it and to immediately return to Baku. Jan Eliasson was in Baku at the time. He was briefed on that matter. We agreed to his draft document and he returned to Yerevan. The officials in Armenia refrained from signing the document Jan Eliasson brought to us from Yerevan. So, that confirmed that Azerbaijan supports peace and wishes to end the war. It also was an indication that confirmed Azerbaijan's wish to resolve the dispute through international organizations and Russia. However, Armenia has exposed itself. It has confirmed that it does not wish to end the war. Later, Jan Eliasson returned to Vienna. He is continuing his work.

Meanwhile, we summoned the Republic's defense minister from Moscow. We also disclosed that we could not sign that protocol. I wish to inform you that the CSCE, the Minsk Group, and Jan Eliasson are in close contact with Russia. They wish to maintain their cooperation.

That is all that I can say on the developments. I wish to draw your attention to the fact that exchanges of fire have not taken place since 10 May. I believe that this is a positive development for Azerbaijan. Our military forces heroically fought during the past few months. However, we have had many casualties. I wish to clearly say that there have been days when we had 50 martyrs in one place alone. Azerbaijan's officers have died together with their troops. They fought to defend our territories. The Armenians planned to occupy Terter by 1 May.

They also planned to occupy Barda later. Their plans were foiled because our military forces steadfastly maintained their positions.

The Armenians have other plans too. However, you must realize that Armenia is not waging war by itself; you are well-aware of that. No, Armenia is not waging the war by itself. You are well-aware of the countries and forces that support it. Had it only been Armenia, Azerbaijan's military forces would have evicted them from the republic's territory, even though our forces are not yet at full strength. However, that is connected with international politics. We are unable to influence the policies of certain forces and countries in the world, who act as they please. Therefore, we have to maintain a wide-ranging policy, and we need experience and information in order to be able to do so. We have to analyze and draw conclusions. I am convinced that you believe that we are capable of doing so. As president, I occupy myself with all those matters round the clock.

Regardless of all that and at a time when our republic is working in various directions, certain internal forces continue to try to create discord among us. I am confident that the people do not believe them. I am aware that the people trust me. Some 7 million people in Azerbaijan trusted me and elected me president. I rely on the people's support. I rely on your support. I rely on the support of the people of Azerbaijan.

Why have I said all this? In an effort to create discord in the republic, some individuals have recently claimed that Azerbaijan's leaders are making the wrong moves. What does that mean? I have already explained the developments related to the Bishkek protocol. On 18 May, a group of deputies in the National Assembly—they were Etibar Mamedov, several deputies from the Azerbaijan People's Front, and a few others who always vacillate on way and the other. [shouts against the Azerbaijan People's Front from the audience]

Please be calm. I can see that you, too, have many things to say. I am addressing you at this moment. I wish to express my views. Later, I will give the floor to anyone who wishes to speak.

Yes, they demanded that the National Assembly place the Bishkek Protocol on its agenda. There is nothing to debate in the Bishkek Protocol. The main objective of that protocol is to effect a cease-fire. Their actions indicate that they do not wish to see a cease-fire imposed. They want people to be killed. This matter was debated; I attended that session. We voted on the matter. The parliament has its rules. Their motion did not pass. The Bishkek Protocol was not placed on the agenda; then a recess was called. Some 15 deputies presented an ultimatum and walked out when the National Assembly reconvened. The remaining members of the National Assembly, who were in the majority, issued a statement against them.

The walkout by the deputies conflicts with the ethics and experience of a respected parliament. It confirms that their cultural levels are not high enough. Obviously, they have used uncivilized ways and means to achieve their goals thus far. As president, I condemn their actions. I am confident that the people will support me. I urge them to refrain from lawlessness.

However, the matter does not end there. I could have decided not to mention these matters, but I feel obliged to do so.

Later, Etibar Mamedov held a meeting in the building which houses his political party with a few inefficient individuals who supposedly represent the Azerbaijan People's Front and the Karabakh Liberation Movement. Have you heard about that movement? Let the members of that movement go to fight in Karabakh. They should not create such a state of affairs for the people. We have a political party which is known as Bozkurt [Gray Wolf]. It is led by Iskendar Khamidov. He and several others have issued a statement, which is disgusting and unjust and which conflicts with our present day national interests. It is full of lies and calumnies. It claims that Russian military units have arrived in Azerbaijan and that we wish to have them defend our republic.

No Russian military units have been deployed in Azerbaijan. The people must not be misled. I have explained the measures we have taken during the past few months. The television network will further inform the people on what I have outlined. No Russian military units have arrived in Azerbaijan. The people must not be misled. Furthermore, if they are opposed to the measures that have been taken by the government, then they should hold talks with the officials. Azerbaijan is an independent country. Its president has been elected by the people. The people hate secret meetings that are held in dark rooms to draw up plots. Those are lawless activities, which no one can tolerate.

They met again yesterday to draw up a policy for national resistance. They disclosed that they will hold a large meeting. What kind of a meeting will that be? Who is to organize it? Yes, they are Etibar Mamedov, Iskendar Khamidov, Tofik Gasumov, Isa Kamberov, Ibragim Ibragimov, and several other people like them. They established a committee yesterday and urged the people to attend the meeting they will organize. Undoubtedly, the people will not allow them to hold such a meeting. The state laws will be enforced if they act in a lawless way. Each and every one of them will be penalized accordingly. I wish to make that clear. [applause]

Regarding the movement that has been established by those individuals, I believe that it conflicts with Azerbaijan's national interests. [Shouts of "Treachery"]

Yes, I regard it as an act of treachery. Thank God that an administration exists in Azerbaijan. Thank God that Azerbaijan has a president and state organs. However, a handful of individuals in the streets ignore them and claim that they themselves wish to defend Azerbaijan's people. The people have entrusted the president they elected with the duty of defending them. The president is the guarantor of the people's security in Azerbaijan. He guarantees the people's rights and protects the republic's territory. [applause] Who has authorized those individuals to assume those responsibilities? Who are they?

You are well-aware that I do not wish to say anything about them, because I do not wish to lower myself to their level. The people are already aware of their situation; but I do not wish to lower myself to their level. If they wish to improve their situation, then they will have to do the right work for 10 or 15 years. None of them have any experience in any field. They have gathered together from here and there and from the streets. [passage indistinct]

We have opened the door to democracy. Political parties have been established. More than 40 political parties have registered in Azerbaijan. The newspapers publish whatever they wish. They published [words indistinct] and calumnies. In view of democracy and pluralism in politics, I have not objected to all that. Nor will I do so in the future. However, I will not allow any calumny or activity aimed at misleading the people and encouraging them to commit crimes. I wish to inform everyone in that regard. [applause]

I have respected Etibar Mamedov. However, I can see that several of you do not like him. Nevertheless, I have respected him because he has carried out political work to a certain extent. I hope that he will hear and understand what I am going to say now. He must assess my respect for him. There is no reason for him to maintain the claims he has made. [applause]

Etibar Mamedov has had only one objective in mind for the past three or four years: He only wished to come to power. Well, he was a candidate in the presidential elections, along with Abulfaz Elchibey, Nizami Suleymanov, and several others. He would have come to power if he had secured the people's support. He was not elected; Elchibey was elected instead. Etibar Mamedov moved against him. Later, Elchibey abandoned his post. I tried to convince Mamedov to work together with me. I invited him, asked him to serve as the republic's foreign minister. He refused, saying that the post was not good enough for him. I asked him to serve as the state secretary. He did not agree to that either. [passage omitted]

Etibar Mamedov and Iskendar Khamidov have an agreement to wage a struggle against the government now. Who is Iskendar Khamidov? That state of affairs is very disgusting for Azerbaijan. There is no reason at all for it. Khamidov established the party known as Bozkurt. What kind of a party is it and where does it find the funds it needs? Khamidov disseminated unfounded reports; he committed many crimes in the past. He has now moved to organize a meeting.

Regarding Isa Kamberov, he got himself appointed chairman of the Azerbaijan Supreme Soviet in one way or another. God knows whether he got that post through fraud or otherwise. He was expected to serve the country, but he abandoned his post. He resigned on 11 [month indistinct], saying that he was unable to work. Why was he unable to work? Well, they had brought Azerbaijan to the verge of civil war. A civil war broke out in Azerbaijan. The republic was about to split up. Certain groups took action in Ganja, Lenkoran, and Baku. The process of fragmentation had begun. Kamberov, who was responsible for creating that state of affairs, urged me for three hours to travel to Baku to end that state of affairs in the republic. [passage indistinct]

Aliyev Says Russian Troops Not To Enter Conflict

NC2405142794 Baku TURAN in English 1105 GMT 24 May 94

[Text] Baku, 23 May (TURAN)—"Russian troops will not be brought into the conflict zone since this matter will be discussed within the framework of the CSCE. Azerbaijan did not sign Moscow's agreement providing for the introduction of the troops from only one country to the conflict zone," said President Aliyev on 21 May.

As a result, the agreement, "On measures to implement the 18 Febraury protocol," proposed by Pavel Grachev and providing for Russia's mediation in the separation of the warring parties without the CSCE, failed.

It is now clear that Baku took advantage of the contradictions between Russia and the CSCE in this matter. While the U.S. State Department head for the division on the Newly Independents States (NIS), James Collins, persuaded Andrey Kozirev to give the troops status of an international force, Azerbaijan's Defense Minisiter Mamedov delayed the signing of the Russian agreement during the Moscow talks. At the same time, the Chairman of the CSCE Minsk Group, Jan Eliasson, shuttled between Baku and Yerevan trying to convince Ter-Petrosyan not to hurry to accept Grachev's plan.

After that it was obvious that the CSCE intends to push for the agreement "On measures to regulate a cease-fire schedule" and when military observers of this organization arrived in the region, Baku said that it prefers mediation by international forces and not only by Russia.

Such tactics on the part of Baku are of the ultimate risk since an infuriated Pavel Grachev can teach a lesson to President Aliyev for such "boldness."

Earlier, Azerbaijan has been punished with defeats on the front for ignoring Moscow's interests. Presently the situation can repeat itself. According to Azeri military intelligence, recently Russian tank battalion, artillery and special battalions have been transported from Armenia to Karabakh. At the same time, two motor-infantry regiments of Armenia's National Army were transported to the conflict zone as well. The same source reports that Armenian troops have been concentrated along the Terterskiy region direction.

Judging by all, further development of the events will depend upon whether the West will permit Russian troops to be introduced into Azerbaijan.

Armenia Allegedly Continues Attacks, Aliyev Appeals to CSCE

NC2405160794 Baku AZERTAC in English 1319 GMT 24 May 94

[Text] Baku, 23 May (AZERTAC)—Today, State Adviser of Azerbaijan Mr. Vafa Gulizadeh has made a statement, which says that the Armenian armed forces are committing barbarian actions on the occupied Azeri territory destroying dwelling houses, communications and agricultural installations. According to V. Gulizadeh, this information has been confirmed by a deserter from the Armenian Army. The deserter said that the Armenians committed those actions since they knew that they would soon leave the occupied Azeri territory.

V. Gilizadeh has also said that the Azerbaijani President Geydar Aliyev appealed to the Chairman of the CSCE's Minsk Group J. Eliasson and regular member states of the CSCE with a request to bring pressure to bear upon Armenia to stop committing barbarian actions on the Azeri territory. The President Aliyev has also appealed to the UN Secretary General Mr. Butrus-Ghali and asked him to inform the members of the UN Security Council about these crimes committed by Armenians. The state adviser thinks that the world community must pay attention to the felonies committed by the Armenian armed forces and take measures in order to stop barbarian actions.

Azeri Formations Reportedly Launch Attack in Karabakh

LD2505103394 Moscow ITAR-TASS in English 1003 GMT 25 May 94

[By ITAR-TASS correspondent Vadim Byrkin]

[Text] Stepanakert May 25 TASS—Azeri formations broke relative lull established in the zone of the Karabakh conflict during recent days, ITAR-TASS learned from the press service of the Karabakh defence army.

On Tuesday night Azeri troops launched an attack on a strategically important height located in the Gadrutsko-Fizulin direction. The attack was rebuffed, entailing no positional changes. No casualties were reported among Karabakh defence forces.

Over the past twenty four hours relative lull was reported in other areas of the front.

Parliament Crisis Continues as Deputies Fail to Return

NC2405160894 Baku AZERTAC in English 1319 GMT 24 May 94

[Text] Baku 24 May (AZERTAC)—The parliament crisis continues in Azerbaijan. This crisis began last week when 15 MP's (almost a third of the parliament) had left the parliament hall signifying their protest against the signing of the Bishkek Protocol. This action of the MPs has deprived the parliament of quorum without which the parliament can not fulfil its work.

Yesterday, the parliament appealed to the President Aliyev and requested him to reduce the quorum from 34 to 26 voices. A proper draft law was presented to the president. "It is the most acceptable measure to find a way from the crisis,' the parliaments speaker said.

There were other proposals of the MP's, e.g. to appeal to the "rebellios" MPs and make a request for cooperation. According to the premier Surat Guseynov, it is necessary to do "for the sake of national accord." There also was a radical proposal to dismiss the parliament and delegate its powers to the president.

Several Hundred Demonstrators in Baku Rally Injured

PM2505081794 Moscow IZVESTIYA in Russian 24 May 94 p 3

[Sokhbet Mamedov report: "Baku Police Disperses Opposition Rally and Arrests IZVESTIYA Correspondent"]

[Text] Baku—According to various figures, between 200 and 500 participants in a rally in Baku received injuries of varying degrees of seriousness and were taken to police stations.

This incident took place on the day of "Kurban Bayrama" ("Festival of the Sacrifice"), observed throughout the Muslim world. At the time when President Geydar Aliyev was greeting people on the occasion of the holiday, the capital's arm of the law was dispersing crowds of people trying to get onto the central square. The police did not particularly stand on ceremony—citizens and even deputies were crammed into buses and dispatched to interim detention centers.

The catalyst in the exacerbation of the already complex relations between the authorities and the opposition forces in Azerbaijan was the fact that Baku has agreed to the terms of a truce in Karabakh and to having peacekeeping troops brought into the republic. The republic's parliament refused to discuss this problem. Deputies who demanded that this question be included on the agenda were accused of trying to destabilize the situation in the republic so as, subsequently, to take advtantage of that in order to take power into their own hands. Then the opposition adopted a decision to hold a rally.

The authorities ignored their opponents' opinions and organized a persecution campaign against the leaders of the People's Front and the "Musavat" and National Independence of Azerbaijan parties. Extensive powers were given to the police, who then more than justified the hopes pinned on them.

Having been a witness to the police beating one of the participants in the rally, your IZVESTIYA correspondent turned to an officer standing nearby. This proved to be enough for them to put me in the bus and take me to the rayon police station, keeping me there for over three hours. Since the leadership of the police station was unable to give me an intelligible answer as to why a journalist was arrested, and consequently deprived of the possibility of carrying out his professional duty, this question has been re-addressed to the prosecutor's office of Nasiminskiy Rayon.

Georgia

Georgian Artillery Reportedly Pounds Abkhazian Positions

LD2505105294 Moscow ITAR-TASS in English 1019 GMT 25 May 94

[By ITAR-TASS correspondent Vladimir Gondusov]

[Text] Moscow May 25 TASS—Early Wednesday morning, Georgian artillery began shelling Abkhazian positions in the Kodor gorge region. The firing is coming from the village of Kapchar, controlled by Georgian military groups, ITAR-TASS learned from Abkhazia's official representation in Russia.

According to the Abkhazian representatives, more than 250 shells and mortars were fired at the Abkhazian positions on Tuesday. The shelling began at 18:20 and stopped at 22:30, and resulted in the wounding of four Abkhazian military personnel.

Parliament Divided on Abkhazia Conflict Debate

PM2405123594 Moscow KRASNAYA ZVEZDA in Russian 24 May 94 p 3

[Vitaliy Denisov report: "Abkhaz Question Threatens Georgian Crisis of Power. Republic's Parliament Not Ready To Compromise"]

[Text] Tbilisi—The topic of Abkhazia continues to dominate sessions of the Georgian parliament. Attitudes toward the Russian leadership's statement about the introduction of CIS peacemaking forces to the conflict zone have sharply divided the top legislative organ into supporters and bitter opponents of this step. This could lead to a crisis of power in the republic and even to a possible change of political course.

The opinions held by deputies in different factions are largely diametrically opposed. The Republicans, as before, are insisting on a parliamentary debate on the issue of preserving statehood, and on the legality of the agreements on Abkhazia signed 4 April and 14 May. Republican deputy Ivlian Khaindrava called them the "political and legal formulation of the results of Georgia's military failures, which will directly and unambiguously lead to the loss of Abkhazia."

The refusal by most parliamentarians to include these issues on the agenda prompted a stormy reaction from the Republicans, who staged a walkout and announced that they would be boycotting the sessions. They were joined by deputies from the Merab Kostav Society, who are insisting, aside from anything else, on the abolition of the institution of head of state and a transition to exclusively parliamentary rule.

But if some people are worried solely about the Georgian-Abkhaz agreements that have been signed, others are concerned about the position of a third party—Russia. People's Front leader Nodar Natadze, for instance, assesses the great northern neighbor's peacemaking efforts merely as an attempt to "quietly" seize Georgia's Black Sea coastline and to federalize the republic into part of Russia....

Representatives of the parliamentary majority are also talking about boycotting the work of the top legislative organ of power. Roman Miminoshvili, deputy [head] of the parliamentary commission for deputies' ethics, accused the opposition of destructive actions, sabotage, and antistate debates leading to the deepening of the crisis and drawing Georgia into war and chaos, and directly stated that such a step is possible. Roin Liparteliani, leader of the Agrarians, is not even ruling out the possibility of parliament's dissolution.

In these circumstances, it is impossible to have a constructive discussion of any documents on Abkhazia—the language of ultimatums is not helping at all. Zurab Zhvaniya, general secretary of the Union of Georgian Citizens, even proposed declaring a moratorium on open parliamentary debate of the issues relating to Abkhazia. Will his appeal be heeded?

Georgian citizens have differing assessments of the question of introducing CIS peacemaking troops to Abkhazia. According to the latest opinion poll staged by the newspaper SVOBODNAYA GRUZIYA, 62.6 percent of Tbilisi people do not see them as any reliable guarantee of the safe return of refugees. Although most nonetheless believe that the conflict cannot be resolved without compromise. But it is the people's elected representatives above all who will have to learn the art of compromise. Otherwise, they may talk themselves into a new war.

NDP Leader Urges Early Elections

AU2405150694 Tbilisi DRONI in Georgian 6 May 94 p 3

[Interview with Giorgi Chanturia, chairman of the National- Democratic Party, by unidentified DRONI correspondent; place and date not given: "We Are Coming and Singing"]

[Text] There exist differing views in society on how to overcome the sociopolitical situation that has taken shape in Georgia: Some believe that, in spite of the problems, the authorities should see their term of office through to the end; here and there in the corridors, they view the use of military methods again as a matter of urgency. At the same time, the National- Democratic Party [NDP] adheres to a different position: the holding of early elections. According to the party's leader, Giorgi Chanturia, this already means their accession to power.

[Chanturia] The NDP has been ready to assume power for a long time now. There exists only one way of achieving this aim—elections. However, there is another reason for making this demand: One cannot go on living in such a way. Dilettantism has destroyed Georgia; Parliament does not resemble a parliament. Naturally, the present authorities and their criminal policies are the result of its activities. Yet, in the final analysis, everything leads us to the electorate: Parliament is composed of members chosen by the people. It is possible to make a mistake once, twice, three times, but, in the end, we should make sure the following French saying does not apply to us: The people have the government that they deserve. Opponents are demanding the guarantee of a better choice. However, such a thing does not exist. This Parliament, in spite of its failings, is better than the former Supreme Council. Early elections will at once spare us many possible misfortunes. For example, military actions, events resembling a palace coup, and innumerable other processes. No matter how many Monday interviews [reference to Shevardnadze's weekly radio interview] and captivating smiles we give, this will not bring any results. In spite of their differing views, the people are fed up with hearing only that we have overcome provincial fascism; surely we should be doing other basic things. However, it is wholly impermissible that Eduard Shevardnadze should resign before the holding of early elections as he will be replaced by that force that is oriented toward Russia and has a lot of weapons and money. Of course, such authorities will hold unfair elections and we will be needed only to embellish the facade. In this case, of course, we will boycott the elections.

[DRONI] Does this mean that, if the elections are conducted according to the "rules" of another country or if there are any military actions, the NDP will adhere to a certain neutral position?

[Chanturia] When the game is lost, we always remain silent. When executive power was recently being ratified anew, the majority and minority were summoned and told that, if the government should fall, Parliament would be dissolved. Of course, we did not determine our position as this would have been in vain. At the same time, we did not vote for the government. People often talk about the transformation of the NDP and its change of position, something which has never happened. For example, the severing of relations between us and Shevardnadze came about due to a difference of opinion on several issues. As soon as he moved into the Russophile camp, our ways parted.

[DRONI] If a common position is found, do you think it will again be possible to cooperate with Eduard Shevardnadze?

[Chanturia] Naturally, if he conducts the right policies, we will support him. However, we will not help anyone to promote a Russian policy. I believe that, in spite of Georgia's membership in the CIS, Eduard Shevardnadze does not hold a pro-Russian stance today. Simply, he did not have enough power: The easier it is to free oneself from ideology, the more difficult it is to escape a way of life. Shevardnadze believed that it was possible to construct the country without any kind of team and by giving priority to foreign policy and on the basis of his own authority. As can be seen, this has not happened. Reforms have also not been carried out and the country has been taken over by criminal bands and corruption. However, I believe that all possibilities have not yet been exhausted.

There are fairly powerful pro-Russian forces in Georgia; for example, [Parliament Speaker] Goguadze and [Socio-Democratic Party Chairman] Muchaidze are struggling against Shevardnadze for the reason stated publicly and with typical naivete by [ex-Defense Minister] Kitovani: Shevardnadze is not trusted in Russia. Incidentally, Muchaidze also said the same thing. Such a statement is a criminal offense: To demand the resignation of one's own government because it does not meet with the approval of a neighboring state. We have another wing as well; I have in mind the Liberal-Conservative coalition that apparently criticizes the head of state for being a Russophile, but believes that Georgia was too late in joining the CIS. A game is also being played here. Our politicians have acquired a simple understanding of the Russian factor and have formed queues in the waiting rooms of various special services in Moscow. Frankly speaking, these are agents, and specific measures have to be taken against them.

[DRONI] Realistically speaking, to what extent was it possible to change executive power? In this regard, the general secretary of the Union of Georgia's Citizens [Zurab Zhvania] stated that not only their union but also other political forces were not ready for this change.

[Chanturia] In our time, we even proposed to the authorities the composition of a coalition government and gave this list to Zurab Zhvania. However, for some reason, changes were made to it before it was disseminated and the head of state did not react to this in any way. The interests of both the majority and minority were protected in this proposal and, most importantly, a completely different mentality was taken into account.

[DRONI] Don't you think that the total failure to form an opposition played a specific role in the ratification of the old government?

[Chanturia] We were actually the initiators of a meeting of parties following Georgia's entry into the CIS, but several of them took such steps that there was no longer any sense even in holding consultations. I am surprised that the [Union of] Traditionalists agreed to Basilia [one of its members] becoming deputy prime minister, especially as they know very well that he can do nothing in those conditions when there is no unified team. This, in the final analysis, will bring the Traditionalists nothing but discredit.

[DRONI] The view exists that Basilia's candidacy apparently was a unifying force in the matter of ratifying the government.

[Chanturia] Of course. I do not exclude the existence of this factor, but everything was much simpler: It was a matter of Traditionalist votes.

[DRONI] In your view, apart from the NDP, what other political force has the ability to govern the state?

[Chanturia] Unfortunately, I cannot see any such serious force. I have great respect for the Republicans, but they represent more an intellectual association than a party. In this respect, the Traditionalists are closer to being a party but they are also deficient in many things. The NDP, without belonging to any coalition, is able to form a government; this team has been in existence for a long time; moreover, we also have smaller teams. Incidentally, we viewed the Union of Georgia's Citizens with great hope; we thought it could have been a worthy opponent, but it has taken the form of neither a party nor an organization.

[DRONI] If the authorities decide to hold early elections, these will not take place before the fall. It is possible for the Union of Citizens to form itself into a realistic if not dominant force before then.

[Chanturia] They have been unable to create structures in any region that are better than ours. The fact that they have automatically transformed gamgeobebi [local administrative boards] into regional organizations of the Union of Citizens indicates an antistructural trend, which was the undoing of the Popular Front, the Rustaveli Society, and all such mass organizations that were created on a tidal wave.

[DRONI] In our country, a politician's actions are for some reason assessed by the display of positive or negative feelings toward him. You stated at a conference that, in order to satisfy such feelings, the nation needed a fatherly figure and you said that the best example would be a monarchy. If your party wins the elections, will this institution be introduced?

[Chanturia] Of course, the best variant would be to have a king, although we are neither republicans nor monarchists. I believe that it is altogether too early to speak about the state system at the moment as these issues are dependent upon the regulation of the Abkhazian and Samachablo [South Ossetia] problems; that is to say, the state is dependent upon external factors.

[DRONI] If the current authorities assume responsibility for the prevailing socioeconomic situation and the temporary loss of Abkhazia, don't you think that the future new authorities will be freed of such a "burden?"

[Chanturia] It is impossible to relieve oneself of responsibility regarding the Abkhazian question. If the old government assumes responsibility for its loss, the problem of its return is the prerogative of the new government. However, in the socioeconomic sphere, our task will be somewhat lighter. The standard of living today is at such a low level that it cannot drop any further. This creates a fine background against which to conduct reforms.

[DRONI] Kalbatoni [Georgian polite form of address] Irina Sarishvili [Chanturia's wife, leader of the NDP faction in Parliament, former deputy prime minister] has already given an assessment of that act that occurred in Parliament [on 28 April, deputy speaker Rcheulishvili, after being insulted by Popular Front chairman Nodar Natadze, retaliated by splashing a glass of mineral water in his face]. Do you think that a crisis in Parliament has begun or do you view this as one negative event in the life of Parliament?

[Chanturia] Naturally, it is very difficult not to excuse Rcheulishvili from the human point of view. When you are insulted in this way, you can quite easily pour Borzhomi [mineral water] over the person and, moreover, hit him over the head with the bottle. At the same time, it is very difficult to argue against Natadze when his microphone is constantly being switched off and when he is being called an idiot or imbecile. Quite simply, we are all human beings who, on occasions, are capable of losing our tempers. However, we should not view this as one normal tense day in the work of Parliament; it is a sign of the crisis that has already begun.

[DRONI] If the NDP takes part in the future elections, what will Giorgi Chanturia personally do?

[Chanturia] Basically all those problems that were the reason for my not participating in the last elections have been removed. In particular, all party structures have been formed, which will give powerful assistance to [our] faction. Other party leaders have come to the fore, whereas my presence in Parliament would have delayed this process. Third, my position as a deputy would have resulted in our party losing political points. Given that a battle for survival is being waged today, I have no right to lock myself up in Diogenes' barrel.

[DRONI] However, will Giorgi Chanturia be satisfied with being just a deputy?

[Chanturia] If the party achieves complete victory, that hierarchy that exists in the party will be transferred to the state structure.

Currency Unit To Be Introduced by Spring 1995

LD2405152294 Moscow ECONOMIC NEWS AGENCY in Russian 1300 GMT 24 May 94

[Text] [No dateline as received]—Georgia plans to introduce its own currency unit, the lari, by next spring, republican Deputy Prime Minister Teimuraz Basilia said in an interview with Georgian television yesterday. He said that the government and the National Bank are currently making efforts to strengthen the coupon and to make it the sole means of payment, ousting the Russian ruble from the market. However, Teimuraz Basilia said, "Some members of the Cabinet of Ministers not only do not support, but are even resisting all the measures we plan to introduce, both in the money and credit sphere and particularly in the area of privatization."

The deputy prime minister stressed that it is not a matter of no confidence in the government, but of the personal interests of persons who would lose their portfolios if privatization is carried through.

Estonia

Baltic Sea Council Foreign Ministers Meeting Opens

WS2505111594 Tallinn BNS in English 1719 GMT 24 May 94

[Text] Tallinn, 24 May, BNS—Estonian Foreign Minister Juri Luik will at 6 p.m. today declare open the third session of the Council of Baltic Sea Countries foreign ministers.

On the agenda are cooperation between Baltic Sea countries and the European Union, the work of the council, establishment of a secretariat at the council, environmental issues, nuclear safety, illegal migration, and organized crime.

The session is also expected to approve the mandate of a Baltic Sea countries commissioner for national minorities and fill the post. The only candidate so far is former Danish Justice Minister Ole Espersen.

The session ends with the election of the council's new president to replace Estonia, who currently holds the body's rotating presidency, and adoption of a joint communique.

Luik said at a press conference yesterday that the general opinion of the Baltic Sea Council member states is the council has over the last 14 months "made big strides forward." Luik cited as the body's successes the opening of Eurofaculties at the Vilnius, Riga, and Tartu universities, the work of the council's economics group on the Via Baltica project, and achievements in the sphere of nuclear safety. He said the implementation of the Via Baltica plan is one of the top priorities of the council.

Commenting on the mandate of the Baltic Sea countries commissioner for human rights and ethnic minorities, the Estonian foreign minister emphasized that its primary objective is to defend democratic institutions and the rights of individuals.

Russian Foreign Minister Andrei Kozyrev has previously announced Russia intends to raise at the meeting the question of the Baltic states' territorial claims on Russia. Luik said at the press conference yesterday the issue hasn't as yet been put on the agenda.

Luik will have during the session private meetings with his Russian, Swedish, German and Norwegian counterparts. The meeting between Luik and Kozyrev today is regarded as a historical event.

Luik told reporters the meeting will probably focus on the withdrawal of Russian troops from Estonia. The Russian foreign minister plans also to return to the issuance of residence and work permits to Russian military retirees. Moscow insists that Estonia should give permanent residence permits to all retired officers living here, whereas the Estonian Government and delegation for talks with Russia haven't to date acceded to Russia's demand.

Russia's chief negotiator, Ambassador Vasily Svirin, in an interview with BNS yesterday declined to comment on the importance of the meeting between Kozyrev and Luik for the Estonian-Russian relations.

"I hope the meeting will have a positive effect on the course of the Estonian-Russian negotiations," Svirin told BNS.

Kozyrev, Meri Hold News Conference Before Council Meeting

WS2505102494 Tallinn Ministry of Foreign Affairs Press Release in English 1706 GMT 24 May 94

["Transcript" of press conference by Estonian President Lennart Meri and Russian Federation Foreign Minister Andrey Kozyrev in Tallinn on 24 May]

[Text] President Meri: We are very happy to announce that we had a friendly and fruitful discussion with Andrei Kozyrev about the still unsolved questions that we have to solve between the Russian Federation and the Republic of Estonia. And we have the feeling that we have created a new atmosphere and hope for fruitful cooperation in solving those problems ....

FM [Foreign Minister] Kozyrev: I agree with this description ...Yes those two issues you know it is the withdrawal of troops and our strong desire and determination to actually withdraw as soon as possible. ... Second element I understand that the Estonian leadership is also determined and eager to look into the question of military pensioners in order to solve this too. I think that these two major desires combinations, negotiations meet we have the issue solved [sentence as published]. We have to translate this political will and the climate which the president has described. We have agreed to arrange as soon as possible a meeting of special representatives on the level of deputy foreign ministers.

President Meri: ...and I would like to add that we discussed in a very frank way the two problems which are not interlinked with each other. I am happy to announce here that FM Kozyrev fully agrees that we will proceed according to the Estonian legislation and to those government decisions, and that there is already enough material to hope that both issues will be solved as soon as possible.

Question (in Russian): What steps are needed to solve military pensioner question?

FM Kozyrev: There are some difficulties. Some of them are probably related to existing legislation and decisions. But, again as I said, these two wills and determinations ...substance... And I hope this will happen very soon. And I hope the...will be encouraged and instructed to do that...

Question: Will Russian troops be out by deadline of Aug. 31?

FM Kozyrev: It depends upon the speed of the solution of talks...which I have described. We have agreement that there is still time to meet this deadline.

Meri: And according to the atmosphere we had, I have not the slightest doubt that this deadline will be met.

Question: Any progress today?

Meri: Yes, of course. You see, it was a very frank meeting...at the very moment the press....So I would not like to go into details. But we are happy that we have met, we can continue our meeting today...

FM Kozyrev: I alway enjoy meeting Mr. President. And I want to think of myself as a friend of President Meri. We know each other from times of the Soviet past, when we first were Foreign Ministers of Soviet Republics. So it's really for me...this kind of long-standing relationship and really I think there is a good chance to solve those issues in a civilized manner.

Question: Will there be a signed agreement in the near future between Estonia and Russia?

President Meri and FM Kozyrev: That's our strongest common will.

Question: When will the meeting of special representatives take place?

Meri: It's not a matter of months, it's a matter of weeks, perhaps days.

Question: Issue of retired militaries?

FM Kozyrev: The statement made recently by President Meri when he met with the Ambassadors here sounds promising. That's exactly our intention to explore how this promise could be translated into a practical....agreement and I would like to solve as progressive (?) as possible, also because it is our common desire to overcome the stumbling blocks of this road and create stage to overcome new page of relations. We want best possible relations with Estonia.

Meri: I will like to seize the opportunity and to tell you that from the number of the retired ex-Soviet servicemen, 5,600 are 60 years old or older. That is according to the decrees passed by the government already something which cannot be overlooked...which is...problems will be solved.

The meeting took place at Kadriorg Palace before the opening of the Ministerial meeting of the Council of the Baltic Sea States today in Tallinn. Estonian Foreign Minister Juri Luik described the two hour meeting as a "good start" and a "certain start of a dialogue." Luik added "The general mood was positive" making it "possible to go forward."

Kozyrev's Adviser Sees Way Forward in Withdrawal Talks

LD2505093794 Tallinn Radio Tallinn Network in Estonian 0600 GMT 25 May 94

[Excerpts] Today is Russian Foreign Minister Andrey Kozyrev's second day in Tallinn. Estonia has been expecting this visit to lead to a positive outcome: A clear pledge from Russia to withdraw her troops from here by the end of August. [passage omitted]

Now that the Russian foreign minister has met President Lennart Meri, the Russian side, too, has been emphasizing that it is necessary to change the level of the talks delegations.

The Russian side's current positions were clarified to Estonian radio by Galina Sidorova, adviser to Andrey Kozyrev.

[Sidorova, in Russian with superimposed Estonian translation] The meeting, which lasted as long as two hours, demonstrated in the Russian side's opinion that ice has begun to shift. We see this meeting as a kind of favorable political impetus. One cannot call it a move forward, though. We have formed the opinion that Estonia is prepared to display an understanding of our attitude to the issue of the Russian military pensioners who live in Estonia. The Russian position continues to be the same: The military pensioners' issue must be resolved together with the agreement on troop withdrawal. Russia continues to think that guarantees for social protection must be extended to all military pensioners; all military pensioners must be able to live on an equal footing if they so wish.

Much depends now on the next move, which is the meeting of deputy foreign ministers as representatives of the two countries' leaders. Concrete documents would then be under discussion, and it would become clear to what extent Estonia is prepared to make concessions. If an agreement is reached, it is possible that the Russian troops will be withdrawn by 31 August. I repeat, that is only in case an agreement is reached. [passage omitted]

Increase in Retired Russian Servicemen Reported

LD2405165094 Tallinn Radio Tallinn Network in Estonian 1500 GMT 24 May 94

[Text] In a press release today, the Estonian Foreign Ministry claims that the number of persons in Estonia demobilized from the former USSR Armed Forces is on the increase. On 19 May Aleksandr Trofimov, Russian Ambassador to Estonia, presented figures to President Lennart Meri, showing that the number of the Russian military pensioners has risen from 9,040 to 10,640. According to the Foreign Ministry, about 1,600 Russian military pensioners living in Estonia are under 50; almost 4,000 are aged 50 to 60; and 5,170 are over 60. At the same time the press release states that the Estonian authorities have difficulties obtaining information from the Russian Government about the size of the Russian military units deployed in Estonia and the number of military pensioners in Estonia. Additionally, it is unknown how many Russian servicemen are engaged in Estonia in civilian clothes, the Foreign Ministry's press release says.

Finance Minister Says He Cannot Continue Under Laar

WS2505085194 Tallinn BNS in English 1450 GMT 24 May 94

[Text] Tallinn, May 24, BNS—Finance Minister and Liberal Democratic Party [ELDP] member Heiki Kranich declared in a statement released yesterday that he cannot continue as a member of Prime Minister Mart Laar's Cabinet, today's issue of the RAHVA HAAL newspaper writes.

Kranich affirmed that he is prepared to fulfill his obligations until the Pro Patria congress. "If Mart Laar should after that continue as prime minister, I find it impossible to continue as Cabinet member," he stated.

Kranich blamed the premier for having repeatedly gone against the rules in signing state guarantees for loans. "The justice chancellor has qualified his actions as violation of the Constitution. As a result, monetary obligations binding on the Republic of Estonia have been assumed," Kranich stated.

The finance minister noted that Laar, denying his violations, has taken steps to remove from the government the ministers who pointed out his mistakes.

Culture and Education Minister Paul-Eerik Rummo, who is also the chairman of the Liberal Democratic Party, told the RAHVA HAAL yesterday he doesn't plan to leave the government in the next few days.

The ELDP council and the Liberals faction in parliament yesterday announced their decision to authorize Rummo and Kranich to continue in the government pending the outcome of the Pro Patria congress.

The ELDP also proposed that all ruling coalition parties should get together to make up their minds about a candidate for new prime minister as well as other possible Cabinet reshuffles.

The other ruling coalition members—the Estonian Rural Centrist Party, the Estonian National Independence Party and the Estonian Social Democratic Party—said last week that their ministers will not leave the government. Pro Patria member, Foreign Minister Juri Luik also told reporters yesterday he will not be stepping down until the Pro Patria congress.

A meeting of the Pro Patria council yesterday decided that election of new party chairman doesn't necessarily imply nomination of new premier.

The Pro Patria congress is scheduled for June 11. On the top of the agenda are election of new chairman for the party and the situation in the government and the ruling coalition.

Laar said on Friday [20 May] he regards decisions of the congress as binding for himself. "If Pro Patria elects a new chairman, I'll resign," the premier promised.

Lithuania

Brazauskas Sends Telegram to Newly Elected German President

WS2505093694 Vilnius ELTA in English 2039 GMT 24 May 94

[From "News Bulletin" No. 506]

[Text] Vilnius, 24 May, ELTA—President Algirdas Brazauskas sent on Tuesday [24 May] a congratulation telegram to the newly elected President of Germany Roman Herzog.

"I would like to take this opportunity to convey my heartfelt congratulations on the victory in the elections of the president for the first time held in the unified Germany. I earnestly hope the relations between our two countries will further expand under Your Excellency's good offices. I wish you success and the best of luck," Brazauskas said in his telegram.

Brazauskas also sent a telegram to the former German President Richard von Weizsacker. He said in it: "On the occasion, I would like to thank you for the attention and understanding shown to our state.

"Germany, one of the largest European states, did not refuse to help Lithuania during the crucial historical period. Traces of your last-year visit in Lithuania have remained significant in strengthening the democracy, tolerance, mutual understanding of various nations.

"I am sure the newly elected President Roman Herzog will be a worthy successor and relations between Lithuania and Germany will be further developed.

"I hope you will not forget Lithuania in future. Therefore, I would like to invite you as my personal guest to visit our country once more," Brazauskas said.

New Ambassador to Estonia Appointed

LD2405170294 Vilnius Radio Vilnius International Service in Lithuanian 2100 GMT 23 May 94

[Text] The Seimas Foreign Affairs Committee has supported the appointment of Halina Kobeckaite, cultural adviser of the Ministry of Foreign Affairs, to the post of the ambassador in Estonia. Halina Kobeckaite has been heading the department of nationalities up to last March.

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